

# REPORT

OF

## The Millowners' Association, Bombay.

Report for the Year 1946.

*(Established 1st February 1875.)*

PRESENTED TO THE ANNUAL GENERAL MEETING  
HELD ON THURSDAY, 15th MAY 1947.



*Bombay :*

PRINTED BY G. CLARIDGE & CO., LTD.

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# THE MILLOWNERS' ASSOCIATION, BOMBAY.

ESTABLISHED 1st FEBRUARY 1875.

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SIR HOMI MODY, 1927.  
J. B. PETIT, 1928.  
SIR HOMI MODY, 1929, 1930, 1931, 1932, 1933, 1934.  
SIR JOSEPH KAY, 1935.  
SIR VITHAL CHANDAVARKAR, 1936.  
DHARAMSEY MULRAJ KHATAU, 1937.  
T. V. BADDELEY, 1938\*.  
KRISHNARAJ MADHAVJI D. THACKERSEY, 1938\*.  
T. V. BADDELEY, 1939.  
SIR VITHAL CHANDAVARKAR, 1940, 1941.  
KRISHNARAJ MADHAVJI D. THACKERSEY, 1942.  
SIR VITHAL CHANDAVARKAR, Kt., M.L.A., 1943, 1944, 1945.  
DHARAMSEY MULRAJ KHATAU, 1946.  
BHAGWANDAS C. MEHTA, 1947.

## *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. SAYRE, 1921-24.  
T. MALONEY, 1924-41.\*  
N. S. V. AIYER, 1941\* to 1946-47.

\* Part Year.

# **Millobomers' Association, Bombay.**

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## ***Section I.***

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**PROCEEDINGS OF THE ANNUAL GENERAL MEETING  
HELD ON THE 15th MAY 1947.**

# The Millowners' Association, Bombay.

## ANNUAL GENERAL MEETING.

PROCEEDINGS of the ANNUAL GENERAL MEETING of the MEMBERS of the MILLOWNERS' ASSOCIATION, BOMBAY, held in the rooms of the Association (Second Floor, Elphinstone Building, Churchgate Street, Fort), on Thursday, the 15th May 1947, at 11-30 a.m. (S.T.), to transact the following business :—

- (1) To receive and adopt the Committee's Report and the Statement of Accounts for the year 1946 ;
- (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. DHARAMSEY MULBAJ KHATAU, Chairman of the Association, presided.

The following gentlemen were also present :—

Mr. P. N. Joshi (Principal, Victoria Jubilee Technical Institute) ; Dr. D. L. Sen (Director, Technological Laboratory) ; Mr. D. R. Pradhan, I.C.S. (Chairman, National Service Labour Tribunal) ; Mr. Kasturbhai Lalbhai ; Mr. Ratilal Nathalal ; Mr. Chhaturbhujdas Chimanlal ; Mr. Sakarlal Balabhai ; Mr. R. C. Jall ; Mr. B. M. Bagri ; Mr. Bhagwandas C. Mehta representing the Century Spinning and Manufacturing Co., Ltd. ; Sir Ness Wadia, K.B.E., C.I.E., and Mr. Neville N. Wadia representing the Bombay Dyeing and Manufacturing Co., Ltd. ; Sir Vithal Chandavarkar, Kt., representing the Bangalore Woollen, Cotton and Silk Mills Co., Ltd., the Buckingham and Carnatic Co., Ltd., the Madura Mills Co., Ltd., the Minerva Mills Ltd., the Modern Mills Ltd., and the Mysore Spinning and Manufacturing Co., Ltd. ; Mr. T. V. Baddeley representing the Ahmedabad Advance Mills Ltd., the Central India Spinning, Weaving and Manufacturing Co., Ltd., and the Svadeshi Mills Co., Ltd. ; Mr. Krishnaraj M. D. Thackersey representing the Crown Spinning and Manufacturing Co., Ltd., the Hindoostan Spinning and Weaving Mills Co., Ltd., the Indian Manufacturing Co., Ltd., and the Western India Spinning and Manufacturing Co., Ltd. ; Mr. J. C. Burns representing the Finlay Mills Ltd., the Gold Mohour Mills Ltd., the Shri Shahu Chhatrapati Spinning and Weaving Mills, and the Swan Mills Ltd. ; Mr. J. C. Lancashire representing the Gokak Mills Ltd., and the Simplex Mills Co., Ltd. ; Mr. C. R. M. Tippet representing the New Union Mills Ltd., the Sassoon and Alliance Silk Mills Co., Ltd., and the Sassoon Spinning and Weaving Co., Ltd. ; Mr. W. B. Bryden representing the David Mills Co., Ltd., and the Edward Textiles Ltd. ; Mr. R. S. Khaitan representing the India United Mills Ltd. ; Mr. Radhakrishna Ramnarain Ruia representing the Bradbury Mills Ltd., the Dawn Mills Co., Ltd., and the Phoenix Mills Ltd. ; Mr. L. F. H. Goodwin representing the Lakshmi Cotton Manufacturing Co., Ltd., and the Vishnu Cotton Mill Ltd. ; Mr. H. F. Milne representing the Kohinoor Mills Co., Ltd. ; Mr. Laldas Tribhowandas representing the Khatau Makanji Spinning and Weaving Co., Ltd. ; Mr. K. F. Ruia representing the Savatram Ramprasad Mills Co., Ltd. ; Mr. K. D. Kapadia representing the Bharat Spinning and Weaving Co., Ltd. ; Mr. Framroz D. Mehta representing the Burhanpur Tapti Mill Ltd. ; Mr. J. Edwards representing the Dhanraj Mills Ltd. ; Mr. F. H. Mehta representing the Gaekwar Mills Ltd. and the Navsari Cotton and Silk Mills Ltd. ; Mr. Dara H. Kooka representing the Chhoi Silk Mills Co., Ltd. ; Mr. Gordhandas Govindjee and Mr. Rustom N. Contractor representing the Digvijay Spinning and Weaving Co., Ltd. ; Mr. B. S. Dabke representing the Morarjee Gooldas Spinning and Weaving Co., Ltd. ; Mr. Motilal Tapuriah representing the Kamala Mills Ltd. ; Mr. Cavasji Cursetji Dalal representing the Khandeish Spinning and Weaving Mills Co., Ltd. ; Mr. N. M. Bhagalia representing the Coorla Spinning and Weaving Co., Ltd. ; Mr. Shriyans Prasad Jain and Mr. Girdharilal Chokhani representing the Madhewji

Dharamsi Manufacturing Co., Ltd., and the Sir Shapurji Broacha Mills Ltd.; Mr. G. N. K. Iyer representing the Seksaria Cotton Mills Ltd.; Mr. Ramnath Shivrul representing the Raja Bahadur Motilal Poona Mills Ltd.; Mr. N. S. V. Aiyer (Secretary) and Mr. R. G. Gokhale (Labour Officer).

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

GENTLEMEN,

It is with great pleasure that I rise to propose the adoption of the Report of your Committee and the audited Statement of Accounts of the Association for the year 1946, and in doing so, I shall, as briefly as possible, touch on certain outstanding events of the period, and some of the important matters dealt with by your Committee in the year under review. Let me, first of all, explain that, though the Annual General Meetings of the Association have invariably been held before the middle of April, the preoccupations of your Committee and the staff of the Association with various important and urgent matters relating to the Association and its members, made it impossible to hold the meeting earlier.

1946 will go down in history as the year in which India took the first step towards attaining her independent status. Popular Ministries were formed in the Provinces early in the year, followed by the establishment of an Interim Government at the Centre. India's great political leaders became the members of Government, and it was fervently hoped that their united efforts would achieve the happy end we all had been looking forward to.

In the rest of the world, with the cessation of hostilities, every one was hoping and praying for a period of peace and tranquility. The United Nations are making frantic efforts to ensure world peace, but at the moment, the fulfilment of these hopes seems to be in the laps of the gods. A spirit of unrest seems to prevail all over the world. A fever of strikes swept over America, and England and portions of Europe had a taste of it too. Violence also prevails in parts of Europe and particularly in Palestine. This aftermath of war is taking its toll all over the world. In India too, things are not going as peacefully and happily as they were expected to be. There have been widespread communal and labour disturbances. The Central Government have not been able to function as a strong and united authority. The result is that planning both for the present and the future and its effective execution has become impracticable. The food question is still very difficult. The "Grow More Food" campaign of the Government of India has not produced results, and our efforts to secure more grain from abroad have not been very successful.

The problem of transport by rail, which had become very difficult during the war, due to the immediate necessity of moving essential war materials was expected to ease as soon as the war ended. To-day, it has reached a stage when very little seems to move throughout the country. One fails to understand why this should be so. During the war, vast quantities of military stores had to be moved, but all this movement has since stopped and one could have reasonably expected a sufficient number of wagons to be available for moving peace-time requirements. On the contrary, to-day, it is much more difficult to transport commodities than it was during the last few years.

The Government Economic Advisor's Index Number of Wholesale Prices for all commodities steadily rose from 250.2 (1939 August—100) to 289.6 in November 1946, and receded to 285.4 in December 1946, or a rise of about 35 points. This rise, in spite of the fact that the essential controls were in operation during the year, is too serious a matter to be ignored. We were told by responsible members of the Government of India that one way of reducing prices was to produce more, but Government themselves (through another department) reduced the hours of work in factories from 9 to 8, with effect from 1st August 1946. The Provincial Government are going still further and asking us to stop the third shift even in cases where it is already in existence. This, in spite of the fact that a short time ago, the Central Government pressed us to work three shifts and increase production. The situation is unfortunate, not only because of the lack of understanding it reveals between the Centre and the Provinces, but also between different departments of the Central and Provincial Governments.

The cessation of war and the reduction in military expenditure and in the demand for agricultural and consumer goods from the army, should ordinarily have operated to narrow down the gap between supply and demand, and brought about a decline in wholesale prices and the cost of living in the country, but what has happened is that the extremely large number of strikes and *hartals*, which took place in the country in the year under review, reduced output, and further widened the gap between supply and demand. Government have encouraged a rise in cash wages to meet increased commodity prices and cost of living, and thus set in motion that vicious circle of wages chasing commodity prices which, we know, is calculated to lead only to disastrous consequences.

The trend of the taxation and trade policy of the Government of India has been such that it is least calculated to promote trade and industrial development of the country. The recent financial enactments have, to say the least, taken away all initiative for new industrial enterprise. The gist of the new enactments is that the individual is taxed so heavily that his maximum income cannot be more than Rs. 50,000 to Rs. 60,000 in any one year, and corporations have to pay more than 50 per cent. of what they earn in taxes. In addition to these taxes, there is the Capital Gains Tax. To many people, the gain in capital was a greater initiative than the profit from the business or undertaking. By introducing this form of taxation, Government have introduced a principle from which very little will be gained by Government at considerable loss to the industry. If this is not a damper on any new enterprise and production, I would like to know what is. The position to-day is that Government is your major partner in any profits that you make, while you alone are responsible for your losses.

Here, I would like to draw your attention to one point that seems rather difficult to understand. So many difficulties about "hard currencies" and "dollar exchange" are brought forward when any effort is made to import any capital goods, but import licences seem to have been granted freely for the import of an enormous amount of more or less useless materials from U.S.A. and other countries. One hears of vast quantities of silk and fountain pens that have come into this country. Plastic articles are another example. Somebody seems to have made a mistake somewhere. Recently we have heard about "new-comers" being given a share of the business in exports, and also of quotas being auctioned by Government. These are strange and unorthodox methods, and the result will be that people who have been in the business for a number of years, and who have earned their living out of it, are left high and dry, and new-comers, who have no knowledge of the business at all get away with something for which another fellow might have slaved all his life.

I must not fail to mention the fact that the price policy of the Industries and Supplies Department has not at all been helpful in the direction of increasing production so far as the Cotton Textile Industry is concerned. As you are aware, prices under the control scheme are first discussed by the Industry's Committee, and are, on their recommendation, fixed by the Government of India. We have not had any price revision in cloth and yarn though prices of raw materials and labour have gone up considerably. The present level of prices in coarse goods is extremely unsatisfactory, and in consequence, two coarse mills in Bombay have already decided to close their night shift to reduce their losses. It is likely that others will follow. To those who consider that Indian mills are charging exorbitant prices, I would only say that American yarn prices for 20s are about 141 per cent. and Japanese prices are 50 per cent. over Indian prices. Comparisons with British prices yield similar results. We are not asking for similar prices. The industry only expects a general realignment of prices, which would be fair to the various sections it comprises.

#### GOVERNMENT'S LABOUR POLICY.

I shall now turn to our Provincial Government. In Bombay, the Congress Ministry assumed office early in April. A separate Labour Ministry was set up with the Hon'ble Mr. Gulzarilal Nanda as Labour Minister. I greatly admire Mr. Nanda for his ability, capacity for hard work and courage, but I shall not be honest to myself if I do not acknowledge my keenest disagreement with the methods followed by the Labour Ministry. Without meaning any personal disrespect to Government and to the Hon'ble Minister, I would point out that the Labour Department, ever since its inception under the present Ministry, has been drawing

its inspiration from the Textile Labour Association of Ahmedabad and the Rashtriya Mill Mazdoor Sangh of Bombay.

#### THE BOMBAY INDUSTRIAL RELATIONS ACT.

The Industrial Relations Act, which was recently passed, is, in my view, neither a good nor a self-complete piece of legislation. It is clear that Government have failed to appreciate correctly the psychology of workers in the industry. Management has been so hog-tied by the Bill that, in many cases it is no longer possible to guide the destinies of the mills in the best interests of the industry. Employers cannot hire new employees, even to maintain company property, without the danger of having two sets of employees on their hands, because the striking employees must be taken back after the strike if they return within a certain number of days. The dismissal of an employee by the management, though strictly in accordance with the Standing Orders, is likely to be challenged in one of the Courts set up by the Act. Even if the Court confirmed the order, the other employees could always ask for his reinstatement and the dispute can thus drag on without any finality. Arbitration is compulsory, though Government are practically powerless to enforce the award on the workers, and in consequence, the whole Act becomes a very one-sided affair. This is really a tragic state of affairs, which is calculated to strangle business enterprise, and it is just as damaging to the conscientious workman as it is to the employer because it will encourage indiscipline. Unless Government are sure of their ability to enforce the machinery provided by the law, regardless of the offender there is no use having such a law on the Statute.

#### HOLIDAYS WITH PAY.

Another legislation which we had to take up with the Government of Bombay was the Holidays with Pay for Industrial Workers, which came into operation from 1st January 1946. There were so many points arising from that legislation which required clarification that even before the Act was introduced, the Association made several unsuccessful efforts with the Central and Provincial Governments to give proper publicity to the provisions of the Act and clear up certain doubts, which arose regarding the interpretation of some of the clauses. On our own initiative, and fully appreciating the difficulties of the workers, we put up posters on mill gates on 1st January 1947, explaining the provisions of the Act, and further offering to condone unauthorised absence to the extent of 24 days per year in respect of services rendered in each of the years 1945 and 1946. Nothing happened for a few months, and some members of the Association gave effect to the Association's recommendations without any hitch whatsoever. Then propaganda was started by a section of workers expressing dissatisfaction with the provisions of the law, and we had stoppages in certain individual mills. We were then sent for by the Hon'ble the Labour Minister, and the result was an undertaking, details of which are in your possession, but the credit for the whole arrangement, according to the Government Press *communiqué*, goes to the Rashtriya Mill Mazdoor Sangh, which, so far as I am aware, was nowhere in the picture. I now desire to ask the Government of India whether they consulted labour before the legislation was drafted. My impression is, they did; if so, and if, as has happened, a section of labour in Bombay did not like the legislation, then Government must surely change their labour advisers, or, if they are sure that they have been correctly advised, they should have, in unmistakable terms, told workers in Bombay that, under the law, they can go only so far and no further.

#### PRODUCTION IN THE INDUSTRY.

I now come to our own industry. The Indian Cotton Mill Industry produced in the year 1945-46, 4,676 million yards of cloth and 1,615 million pounds of yarn as against 4,727 million yards of cloth and 1,651 million pounds of yarn in the preceding year, and 4,871 million yards of cloth and 1,680 million pounds of yarn in the year 1943-44. Mills in Bombay City produced 1,590 million yards in the year 1945-46 as against 1,650 million yards in 1944-45. In the first 11 months of the year 1946-47, however, Bombay mills have produced only 1,202 million yards. The big drop has been due to reduction in hours of work from 1st August, increased stoppages due to strikes, *hartals*, riot and civil commotion, etc., etc. Normality in Bombay does not appear to have been attained, and monthly production now ranges round about 110 million yards as against an average ranging round about 130 million yards of cloth per month in the year 1945.

### STRIKES AND LOOKOUTS.

There were 106 strikes in Bombay cotton mills in 1946 as against 40 in the previous year, and the number of man-days lost on account of strikes alone, amounted to about 1,250,000 as against 340,000 in the preceding year. There were, in addition 85 *hartals* as against 28 in the previous year, the number of man-days lost through *hartals* amounting to 3,200,000. Strikes and *hartals* together involved a loss of 108 million yards of cloth in the industry in the year 1946 in Bombay City mills alone, as compared with 34 million yards of cloth in the preceding year. Production also suffered due to shortage of labour and absenteeism, and the yardage lost due to these reasons amounted to 93 million yards in the year 1946 as against 22 million yards in the preceding year.

When on strikes, I must draw attention to the fact that the workers now resort to violence to secure their demands. As you are aware, there have been cases in Bombay and other places, of supervisory staff being intimidated and/or grievously assaulted. There have already been cases of workers resorting to stay-in strikes in the departments and of surrounding mill officials and restricting their movements. No doubt, the law takes its course against the offender in its own leisurely manner, but, in the meantime, lasting and even irreparable damage may be inflicted on persons and property, let alone the diminution of output of yarn and cloth and the frustration, fear and helplessness it engenders in the minds of the supervisory staff of mills, who are responsible for the day-to-day working of our factories. It would have helped matters if Government had issued a Press note condemning such practices.

### BOMBAY GOVERNMENT'S HOUSING PROGRAMME.

The recent housing plan announced by the Government of Bombay seeks to impose a colossal burden on employers in Bombay in general and the Cotton Textile Industry in particular. The plan is incomplete in parts, but it seeks to fasten the entire responsibility for housing of labour on employers who are asked to bear a burden amounting to about Rs. 55 crores on the industry with a further recurring loss of Rs. 1½ crores every year. Government seem to forget that rehabilitation of the industry must have the first claim on our cash resources. There is still a very wide gap between the estimated cost of rehabilitation and our present resources, and Government will be putting us in a very difficult position if they seek to divert our meagre funds to the construction of tenements for workers. Let me appeal to Government that, while we concede the desirability of improving housing accommodation, the question should be dealt with on an all-India basis, Government financing the project by means of loans. We would subscribe to the loans as citizens, provided suitable measures are devised for the administration and execution of the scheme.

From what I have said before, a very gloomy picture presents itself before us. The prospects are of diminished production, higher wages, higher costs of manufacture, lower prices and very uneasy labour. The final result of this, if other industries are affected in a similar manner, would be inflation—complete and uncontrolled, as we have witnessed in some of the unfortunate countries of the West and in China. I do not want to leave this gloomy picture in your mind.

### REMEDIAL MEASURES.

The Hon'ble Pandit Jawaharlal Nehru, speaking at the annual function of one of the commercial organizations of the country held very recently, invited suggestions from business men and industrialists which would enable true foundations being laid for securing the country's prosperity. I would endeavour to indicate some of the matters in respect of which remedial action could be taken by Government to ensure the increase of production in the country.

The most essential thing to preserve the economy of the country is to have increased production. This can be done in two ways. The first way would be for Government to take over all the industries and increase their output, and also establish new industries and expand the existing ones; in short, to completely nationalise industry. By all means, let Government do it. Personally, however, I think this is a problem which at the present juncture would be extremely difficult for Government to undertake. If that is so, then the second alternative is for



Government to give every incentive possible to whosoever is willing to increase production or establish new industries. My suggestions in this regard are :—

- (1) Revision of the taxation policy of the Government of India.
- (2) Declaration of Government's labour policy and fixing certain responsibilities on labour.
- (3) Improvement of transport.
- (4) Declaration of Government's policy re. tariffs and export, etc.

As regards revision of the taxation policy, the main defects of which I have mentioned before, Government must give every encouragement to the individual as well as to corporations to produce more. The taxation policy must be so revised as to encourage individuals and corporations to earn more by producing more. This is the only way of getting the maximum co-operation from individuals in increasing the output. Another point is the high cost of new machinery, and the dangers of buying this machinery at the prevalent prices. These are factors which Government should take into consideration. I will give an example. A mill in pre-war days cost Rs. 46 lakhs. The depreciation on Rs. 46 lakhs would be about 1½ lakhs of rupees per year, on the average. The same mill would to-day cost about Rs. 140 lakhs. Depreciation on that would be Rs. 5 lakhs per year on the average. That is, a mill put up to-day would have to earn more than Rs. 5 lakhs a year merely to take care of its depreciation. In other words, prices will either have to be higher than they are, or Government would have to think of a method of subsidising the high cost of machinery, if machinery has to be imported and production increased immediately.

My second point is about Government's Labour Policy. Most of the employers to-day realise that the standard of living of the worker has to be improved. He must live well, eat well and be taken care of when he is ill, and so on. I do not think there are two opinions on the point. But if all this is done, there must be some response from labour. The workers must realise their responsibility and act accordingly. The country to-day needs production, and unless labour is willing to be helpful and put its best foot forward, production can never go up. Government must, therefore, realise this, and impress on the workers their responsibilities in the game, and see that those responsibilities are really shouldered by the workers and their unions.

My third point is about transport. I am afraid there is not much I can suggest here except that unless transport became normal it would be impossible to produce more for want of raw materials like coal, cotton, etc. And even if more production did take place, it would not be of much use if things did not move. Transport, therefore, is a very vital problem in increasing production, and Government must tackle it seriously.

Simultaneously with the measures for increasing output in the country, steps should be taken to ensure that what is not required for internal consumption, is exported abroad to the best advantage of India. This calls for a helpful export development policy with adequate shipping facilities. If, for any reason, the drive for export markets is slackened, the pressure of the surplus in the country would react unfairly on level of prices to the detriment of producers in India.

#### DOMESTIC AFFAIRS.

Before resuming my seat, I must acknowledge my deep debt of gratitude to those who have helped me in discharging the duties of my office. I must, however, make special mention of the help I received from your Deputy Chairman, Mr. Bhagwandas C. Mehta, who was in charge of the Association's affairs during my temporary absence. It is only in the fitness of things that his services should be recognised, and I am in no small measure pleased to see that he has been elected as your Chairman for the succeeding year. I have no doubt in his ability and capacity to pilot the affairs of the Association, and I wish him a successful term of office.

I am very pleased to record my appreciation of the conscientious and able services rendered by the members of the Committee and the various Sub-Committees of the Association. It is true that we all had a strenuous time, but I am happy to say that the calls I made on

their time and labour, were fully responded. I regret to have to inform you that Sir Ness Wadia who, as you are aware, has been connected with the Mill Industry for over half a century, and with the Association from 1903 as a member of the Committee, and who was the Deputy Chairman in the year 1910 and its Chairman in 1911 and 1925, retires from the Committee. We are all sorry to lose him. His wide knowledge of men and matters, and above all his intimate grasp of the various problems connected with the industry, derived from his long, intimate and continuous association with the industry has been of invaluable assistance to the Association, and its successive Chairmen, and his retirement from the Committee would create a gap which it would be difficult to fill. I hope that Sir Ness, notwithstanding his retirement, will continue to take interest in the affairs of the Association, and that his services would be available to us, if the emergency arises. On behalf of you all, I wish Sir Ness long life, peace and prosperity.

From the Statement of Accounts placed before you, it will be seen that the General Fund of the Association which stood at Rs. 4,97,683-7-0 at the end of 1945, now stands at Rs. 5,48,063-4-7. Expenses have been incurred by the Association on behalf of members in fighting various matters in the High Court and in the Industrial Court, and I have no doubt that, as before, individual members would have no objection in sharing the expenses.

Lastly, I come to the Association's officers and staff whose work has been everything that is desirable. During the last year they had to work under very strenuous conditions, but they stood the test, and there was never a moment when we were kept waiting.

I now propose :—

“That the Report of the Committee of the Association and the Statement of Accounts for the year 1946 be and are hereby approved and adopted.”

MR. BHAGWANDAS C. MEHTA, the Deputy Chairman of the Association, in seconding the adoption of the Report and the Statement of Accounts for the year 1946, said :—

GENTLEMEN,

I do not know why it is necessary for a speech by the Deputy Chairman after the Chairman's speech. As, however, this has been done for many years now, I am afraid you will have to bear with my inflicting myself upon you. Next year you will have to bear a longer speech from me and, therefore, my speech to-day might perhaps act as a cushion to the shock of your ordeal next year.

This Association, and in particular, the Bombay millowners have been blamed by the Government of Bombay for alleged non-co-operation with our popular Government. I am afraid I will have to say that the Bombay Government uses the word co-operation with a new connotation, viz., that we must blindly agree with all they say and unquestioningly do what they want us to do. No relationship between Government and the industry based on this type of co-operation can be sincere or stand the test of time. I cannot believe that our own Government really want us to be insincere to them by suppressing the truth or by failing to warn them of the consequences of what, we honestly think they are doing wrong. We are aware of, and we appreciate the difficulties of Government, but at the same time we have every right to expect from a popular Government better understanding, proper appreciation of our difficulties and greater respect for our point of view, just as they want our co-operation and support. This Association with its intimate knowledge and experience of the industry over a long period is in a better position to appraise the situation, appreciate the difficulties and suggest remedial measures, and we only want the Government to show the consideration and respect that is rightly due to this Association.

The urgent and pressing need of this country to-day is more and more production of all commodities and products, particularly, of food and cloth. The demand for cloth has considerably increased as compared with pre-war days, and the cloth situation in this country was very adversely affected, by a diversion of a portion of the cloth production for the Defence Services. After the cessation of hostilities, the latter cause was largely removed, but

then, of course, the 8-hour day came into being from last August. Cloth production in this country has been very seriously reduced by the innumerable *hartals* and strikes. The Bombay Government has not, in sufficiently strong terms, expressed their disapproval and condemnation of strikes and *hartals*, forcibly brought about on the flimsiest of excuses; on the contrary, the Labour Minister has seen fit to receive deputations from workers who were on illegal strikes, and on many occasions he has referred the matter to a Court of Enquiry or Adjudication or compulsory arbitration. One unfortunately comes to the conclusion, that if anything, the Labour Minister has given encouragement to strikers and an impression to workers that they will be supported and appeased under any circumstances. Cloth production can only be increased by running more shifts, but here again we have had no help or support from the Government. To produce more yarn and cloth, more machine hours must be worked and in view of the absence of a plentiful supply of labour, it is only right that the workers should and the workers have a duty and a responsibility to look after more machines wherever it is reasonably possible. It is the duty and responsibility of the Government to impress this upon the workers and the Labour Organizations, and the Government is failing in its duty to the people of this country, in not only, not extending its active help and support to the industry in its efforts to run more machine hours, but, is actually hampering efforts made by the industry in this direction.

The Labour Minister has rushed to the Press and has arbitrarily announced that Government are against three-shift working involving work after midnight, on the ground that the workers are definitely opposed to three-shift working and that it affects the health of the workers. The Labour Minister has also ordained that three-shift working should be discontinued on the ground that shortage of workers is experienced in mills where there is two-shift working, as the workers go to mills where there is three-shift working. Surely, this is a self-contradiction in terms, because, if the workers are definitely opposed to three-shift working, then, there can be no question of workers leaving the mills where two-shifts are worked, to go to mills where three-shifts are worked. I am not prepared to join issue with the Labour Minister as to whether three-shift working is harmful to the health of the workers. It would appear that Government fail to realise that where there is three-shift working, the workers work after midnight only once in three months. In three-shift working there are two other advantages. In the first place, they get 8 hours' wages even though they work only for  $7\frac{1}{2}$  hours. Secondly, they work only for  $7\frac{1}{2}$  hours instead of 8 hours; not only that but they work only for  $7\frac{1}{2}$  hours even when they work in the first and second shift in the other two months. If three-shift working is to be discouraged or prohibited altogether, as it appears to be the intention of the Bombay Government, then we must be reconciled to the fact that the cloth production cannot be considerably increased, and the present acute shortage with its evils of controls, black marketing, unsatisfactory and unequal distribution, discontent and resentment, will remain, for which the Government alone must accept the full blame and responsibility. Prices of new machinery are exorbitantly high, and the supplies come in miserable trickle. Government seem, to deliberately or conveniently ignore the fact, that if three-shift working is prohibited, 40 per cent. more machinery will be necessary, as in three-shift working of  $7\frac{1}{2}$  hours each, we get  $22\frac{1}{2}$  machine-hours per day, as against 16 machine-hours per day in two-shift working. The advantages of three-shift working are obvious and too well known for me to dwell on. I will say with all the emphasis at my command that in the national interest of the country, three-shift working should not only be allowed but actually encouraged, and the Government must do everything to help the industry to run three-shifts. Work after midnight has been, is and will have to be allowed in other industries, and I cannot understand why the textile industry, and that too only in the Bombay Province, is sought to be penalised to the detriment of the people in this country, purely on account of the whims and fancies of the Bombay Government, some labour organizations and theorists. Fancy aspirations and exorbitant demands of the workers in textile mills in this Province, who form an insignificant proportion of the total population of this country must not under any circumstances be allowed to militate against the welfare and well-being of the 40 crores of people in this country. It is common knowledge and experience that even with the existing conditions and labour supply, production could be increased, if the workers give the same efficiency and productivity, as they did pre-war. "A decline in worker effort" which can perhaps cover absenteeism, slackness, low efficiency and low productivity, is an extraordinarily difficult charge to prove but practical men having an intimate day-to-day knowledge of working are fully aware of this.

There is a lot of loose talk of labour discontent and restiveness and demand for higher wages. It is a fact universally acknowledged that increased wages can only be obtained by a higher productivity, and they must be earned by more and conscientious work. Wage-earners should not insist on wage increases which necessitate additional price increases. It is fun spiralling up on roller coasters, but it ends in a steep chute that takes the breath out of you. Increased productivity is the best way to increased output and real wages. Permanent prosperity has to be won by work.

It is common knowledge that stoppages in Bombay mills have been engineered by a few so-called and self-appointed labour leaders and one can safely say that the majority of the workers are not in favour of these unwarranted stoppages which have been brought about by mischievous, misleading and dangerous propaganda and by threats, intimidation and sheer force. I would urge the Bombay Government to evince greater firmness and deal rightly with unwarranted and wanton *hartals* and strikes which are not only affecting the industry but are causing great inconvenience and trouble to all people in this country. The time has come when we must, not as business men, but as citizens, examine and define the word "strike" and "*hartal*." It has been said for a long time that nothing should deprive labour of the right to strike and observe *hartals*. But if to-day we mean by "strike" such a situation as the recent B.E.S.T. strike and strikes in cotton mills, and by "*hartal*" the days lost of valuable and sorely needed production, then, labour has no such right any more than any group has a right to starve, dislocate, endanger or destroy the society of which it is a part.

Production and efficiency in mills have been very adversely affected by absenteeism, indiscipline and disrespect for authority and a tendency on the part of workers to behave and work just as they like, which, if it has not been encouraged or actively supported by labour organisations and Government, has at least not been put down with a firm hand by Government. There is undue and unnecessary interference from the Government in the working of the industry. I wonder, when will Governments realise that the essence of good government is minimum of government. The standard of living of the people can only be improved by more and more production. The acid test of our Government lies in the question as to whether they can encourage not only labour's interests but a productive India. For years to come, attention should be centered on what the people of India are doing about production through their creative energies. To release these energies surely calls, not for interference from Government, but for a sustained effort where a worker, farmer, business man and industrialist can each contribute his share to the wealth of the nation. Whenever the industry's viewpoint is at variance with that of the Government, the industry is threatened with nationalisation. We know only too well the results and experience of nationalisation in other countries and in India; to wit, Bombay Telephones. The efficiency, or rather inefficiency, of Government departments and State-managed and State-controlled industries is known only too well. It is all very well to talk loosely of nationalisation of industry and trade but where, amongst the politicians and theorists are, the requisite number of men of intelligence, capacity, administrative and business experience, honesty and integrity to immediately take over the management and control of all industries and trades? It is very fashionable to quote Russia. I do not know enough of Russia to express an opinion either way, but no one can gainsay the fact that there is very little, if any, of the fundamental freedoms in Russia. If it is a land of milk and honey and plenty, why do the rulers of Russia shield her behind an iron curtain and not come out in the open, frankly and bravely? To my mind the interests of the country at large and of all the people, are to be considered first and foremost. No one section, whether it be the Government, a political party or labour organisation should be allowed to follow its pre-conceived ideas and dictates, to the detriment of the other sections of the people. Sight must not be lost of the fundamental concepts of justice, fairplay and of what is right and wrong to utilise the present conditions to further the aims and objectives of any one section.

Industrialists have been blamed for many ills for which they are not directly or indirectly responsible. The blame for the cloth situation in this country is always and invariably laid at the door of the management. Surely millowners would spare no efforts and leave no stone unturned to produce every pound of yarn and every yard of cloth, but not only have they received no help and active support from the Government, but difficulties and obstacles have been put in their path in more ways than one. I would like to frankly ask Government, as to what have they done to help to increase production?

I leave it to politicians to argue and fight for one united India or for partition. But I must urge upon those who advocate and insist on partition of India that, blinded as they are primarily by religious and communal aspirations and consequently also by political aspirations, they must not lose sight of the fundamental fact, that it is a paramount and overriding necessity, that this country should be one if it wants to develop industrially and commercially, and occupy its rightful place as one of the great countries in this world. Inherently India is one, geographically, militarily and economically. It does not require a searching examination to realise that unless India is one country, with a very strong centre, the industrial and commercial development of the country, will be hopelessly retarded, if it does not actually end in chaos and entail ruin and misery for all.

Before I conclude, I must make specific mention of the splendid work done by the staff of the Association, particularly by Mr. Aiyer and by Mr. Gokhale. But for this, we could have never done the job.

Mr. Dharamsey Khatau has been generous and gracious in his references to me. I must say that it has been a pleasure to work with and for Mr. Khatau. He has one of the rare qualities to allow others a free hand and I appreciate the confidence and faith that he placed in me. If I may be allowed to refer to a point already mentioned by the Chairman, I would like to express a deep sense of appreciation to you and gratitude to the members of the Committee and of the various Sub-Committees who have put in such splendid work.

I would like to express my thanks and appreciation for electing me as your Chairman for the next year. With these words I second the adoption of the Report and the Statement of Accounts moved by the Chairman.

The resolution was then put to the meeting and carried.

On the motion of SIR VITHAL CHANDAVARKAR, seconded by MR. H. F. MILNE, it was resolved :—

“That Messrs. A. F. Ferguson and Company be and are hereby appointed as Auditors of the Association's Accounts for the current year on a remuneration of Rs. 500 per annum.”

On the motion of MR. KRISHNARAJ M. D. THACKERSEY, seconded by MR. NEVILLE N. WADIA, it was resolved :—

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

	Rs.
The Victoria Jubilee Technical Institute .. .. .	2,500
The Police Comforts Fund .. .. .	1,000
The Textile Technical School .. .. .	700
The Sir J. J. Hospital Nursing Association Fund .. .. .	500
The K. E. M. Hospital Poor Box Fund .. .. .	400
The Naigaum Social Service Centre .. .. .	350
The Maharashtra High School .. .. .	250
The Goculdas Tejpal Hospital Nursing Association Fund .. .. .	200
The Bombay Textile and Engineering Association .. .. .	200
Total ..	Rs. 6,100 ”

MR. MOTILAL TAPURIAH proposed a vote of thanks to the outgoing Chairman and Committee for their very able conduct of the Association's affairs during the year, which was carried with acclamation.

**Report for the Year 1946.**

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*Section II.*

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**FOREWORD, PRELIMINARY REPORT AND ACCOUNTS  
OF THE ASSOCIATION.**

**REPORT**  
**OF THE COMMITTEE OF**  
**THE MILLOWNERS' ASSOCIATION, BOMBAY.**

*For the period 1st January to 31st December 1946.*

**FOREWORD.**

THE year 1946 which dawned with bright prospects for the world generally, and for India in particular, turned out to be, in reality, the most disappointing year on record. The world heaved a sigh of relief at the cessation of hostilities and looked forward to an era of peace and prosperity. That expectation was not realised, and what is worse is that the nations of the world, including those who were allies in the war, continued to live in an atmosphere of jealousy and mistrust. Strong and stable national governments, capable of taking far-reaching decisions, have not yet been established in several countries in Europe and Asia, and this has contributed in no small measure to the unhappy state of affairs which exists in the countries concerned. Turning to India, the political horizon, which was bright and full of possibilities at the outset, became dismal and unproductive of results on the establishment of an Interim Government with the Congress and the League participating. A disjointed Central Government, as it exists in India to-day, is not calculated to inspire confidence in business men, nor is it capable of taking far-reaching decisions on such matters as maintenance of production and prices in the country. The result was that wholesale prices of agricultural and primary commodities and cost of living were allowed to drift by themselves, causing no small inconvenience and hardship all round, even though most of the control measures were in operation.

Trading conditions deteriorated in 1946 as compared with the previous year, and in the Bombay cotton mill industry profits in 1946 were about 33-1/3 per cent. less than those recorded in 1945. Let us now follow the trend of prices in the cotton, yarn and cloth markets.

The carry-over of Indian cotton on 1st September 1945 was comparatively small. With a reduced acreage and unfavourable growing conditions, the crop estimate, published in February 1946, showed an outturn of about 34 lakhs of bales only. There were rumours of large business with China, and it was said that Shanghai mill industry was still intact and in spite of the policy of the U.S.A. to grant export credits and exports subsidies for cotton, market remained firm to buoyant from January to mid-March. Premiums for staple cottons ruled high, and several varieties of cottons changed hands at ceiling prices. Select lots of such varieties also, it is reported, changed hands at prices over the ceiling as these ceilings were for fixed class and length of staple.

In April ceiling prices of staple cottons were fixed on staple length and class basis, thus bringing the prices in line with market prices. There were, however, rumours of a ban on export of long-staple cotton and the Indian Cotton Contract began to decline. The British Government decided against the reopening of forward trading in the Liverpool market and this also had a depressing effect on the local contract. When it was known, however, that only cotton below 13/16" would be allowed to be exported, prices began to improve, reaching Rs. 480 for May contract. Government notification allowing delivery contracts for 1946-47 but not allowing any hedge contracts, depressed prices again, and with heavy tenders, prices came down to Rs. 428 for May and Rs. 446 for July. Total tenders in May contract were for 2,38,700 bales. Owing however, to the small number of tenders against July contract prices hardened until on 9th July when the price was Rs. 472. There was a strong agitation for raising of floor and ceiling prices fixed by Government for the 1946-47 crop. Government subsequently decided to allow exports of cottons 11/16" and shorter only, prices declined further till the September contract stood at Rs. 401 on 23rd August. Paucity of tenders in the September contract hardened prices and the contract ran out at Rs. 427.

Trading in new crop contracts was allowed from 28th August, and January opened at Rs. 443. Trading was, however, narrow. On Government's decision to raise the floor price for Jarilla by Rs. 50 and to levy an export duty of Rs. 20 a bale, prices hardened again. Unseasonal rains in November damaged crops in several cotton centres, and prices hardened further, January contract being quoted at Rs. 473 on the 14th December. Thereafter there was a considerable setback and on 31st December prices were as under:—

I. C. C. January 1947	..	..	..	..	..	Rs. 451
„ March „	..	..	..	..	..	Rs. 464
„ May „	..	..	..	..	..	Rs. 473
„ July „	..	..	..	..	..	Rs. 484
„ September „	..	..	..	..	..	Rs. 493
New York January 1947	..	..	..	..	..	32.47 cents.

The New York market was very bullish during the year. Opening at 24.62 cents in January, prices rose with a few setbacks to nearly 39 cents by September. The first crop estimate of 92,90,000 bales in August was reduced to 84,82,000 bales in December. From the height of 39 cents, prices declined to about 29 cents, and after several fluctuations, New York January 1947 was quoted at 32.47 cents on the last day of the year.

With continued labour troubles, *hartals* and the reduction in the working hours of textile mills from 54 hours a week to 48 hours, consumption of cotton by Indian mills is bound to show a considerable reduction. Prices of Indian staple cottons are very nearly equal to prices of similar foreign varieties, and it is doubtful, if present parities continue, whether exports can be large, except for short-staple cottons where India has at present a virtual monopoly.



With the cessation of war orders, it was hoped that more cloths, and yarns would become available for civilian consumption. These hopes were, however, not realised. During the greater part of the year, there were riots and communal disturbances in various parts of the country which disorganised industrial activity. Bombay had its first setback with the R. I. N. riots in February, and due to one reason or other, conditions continued disturbed throughout the rest of the year. Then again, there was a wave of strikes of workers in all industries and in all kinds of employment. Textile workers were not an exception and there were several stoppages in nearly all textile centres. There was also considerable increase in absenteeism owing to riots and production suffered to a considerable extent.

Various controls introduced during 1945 were continued. To relieve scarcity of cloths, the industry was prohibited from manufacturing any cloth for export during the period 17th May 1946 to 31st July 1946. Similarly, except with the special permission of the Textile Commissioner, mills have been prohibited from 13th July from producing on cotton spindles any yarns except cotton yarns.

Demand for cloths and yarns was very brisk throughout the year, but distributing arrangements were not satisfactory partly due to disruption of communications owing to the postal strike and partly owing to disturbed conditions in the city which made it difficult for quota holders and permit holders to find a common place for transacting business.

Prices of cloths remained practically unchanged throughout the year. There has been a considerable rise in the price of short-staple cottons since June, and it has been becoming increasingly unprofitable to manufacture coarse cloths and yarns. It is to be feared that manufacturers of coarse cloths and yarns will have either to close down or to turn to medium varieties of cloths and yarns, thus tending to reduce further the yardage produced.

The rise in the prices of short-staple cotton made it necessary to increase from April 1946 the prices of coarse counts of yarns. Prices of counts upto 26s were raised by Re. 1 per bundle of 10 lbs., those of counts 26s to 40s by 12 annas and those of 40s to 44s from Indian cottons by 8 annas. The prices of yarns from foreign cottons were reduced by 4 annas in counts 40s to 44s and by Re. 1 in counts 60s and finer. In spite of the increase in yarn prices in April, owing to the rise in prices of cottons and in labour costs, it has become increasingly unprofitable to spin coarse counts.

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### ELECTION OF CHAIRMAN OF THE ASSOCIATION FOR 1947.

The ballot for the election of the Chairman of the Association for the year 1947 was held on 13th January 1947, and resulted in the election of Mr. Bhagwandas C. Mehta, of the Century Spinning and Manufacturing Company Limited.

### ELECTION OF DEPUTY CHAIRMAN OF THE ASSOCIATION FOR 1947.

The ballot for the election of the Deputy Chairman of the Association for the year 1947 was held on 20th January 1947, and resulted in the election of Mr. H. G. H. Everitt, of the Colaba Land and Mill Co., Ltd., the New City of Bombay Manufacturing Co., Ltd., and the New Great Eastern Spinning and Weaving Co., Ltd.

### ELECTION OF THE COMMITTEE FOR 1947.

The ballot for the election of the 18 members of the Committee for the year 1947 was held on 27th January 1947, and the following gentlemen were duly elected:—Sir Sorab Saklatvala, Kt., M.L.A.; Sir Vithal Chandavarkar, Kt.; Mr. Dharamsey Mulraj Khatau; Mr. H. F. Milne; Mr. Neville N. Wadia; Mr. A. Pether; Mr. Krishnaraj M. D. Thackersey; Mr. J. C. Burns; Mr. Navinchandra Mafatlal; Mr. G. D. Somani; Mr. J. C. Lancashire; Mr. L. F. H. Goodwin; Mr. W. B. Bryden; Mr. Ramnath A. Podar; Mr. R. S. Khaitan; Mr. Radhakrishna Ramnarain Ruia; Mr. Motilal Tapuriah and Mr. S. P. Jain.

### ASSOCIATION'S REPRESENTATIVES ON VARIOUS BODIES AND COMMITTEES.

During the year under review the following appointments were made to the various bodies and Committees on which the Association is represented:

Administrative Council of the Empire Cotton Growing Corporation.	Mr. H. H. Sawyer for a period of three years from 1st June 1946.
Board of Visitors of the University Department of Chemical Technology.	Sir Vithal Chandavarkar for a period of two years from 1st February 1946.
Bombay Legislative Assembly. . . . .	Sir Sorab Saklatvala, Kt., M.L.A.
Bombay Port Trust . . . . .	Sir Vithal Chandavarkar was appointed as the Association's representative during the temporary absence out of India of Mr. Krishnaraj M. D. Thackersey.
G.I.P. Railway Local Advisory Committee. . .	Mr. Krishnaraj M. D. Thackersey for a period of two years from 1st June 1946.
Indian Central Cotton Committee—Technological Research Sub-Committee.	Messrs. Bhagwandas C. Mehta and A. D. Walwyn for one year from 1st April 1946.

Railway Rates Advisory Committee .. ..	Sir Súrab Saklatvala, Kt., M.L.A., Sir Frederick Stones, O.B.E., and Messrs. Krishnaraj M. D. Thackersey, J. C. Lanchashire and R. L. Ferard.
Royal Institute of Science—Advisory Committee.	Sir Vithal Chandavarkar for the triennium commencing from 1st January 1947.
Textile Trade Marks Advisory Committee ..	Messrs. Dharamsey Mulraj Khatau, H. F. Milne and Neville N. Wadia for two years from 1st September 1946.

## INTERNATIONAL INDUSTRIAL COMMITTEE—TEXTILES COMMITTEE.

### EMPLOYERS' REPRESENTATIVE.

Reference was made on page 9 of the Association's report for 1945, to the proposals framed by the International Labour Office for setting up International Industrial Committees to consider problems of certain major world industries including the textile industry, and to the nomination of Mr. Krishnaraj M. D. Thackersey as the representative of the Employers on the International Textiles Committee.

The Employers' Federation of India informed the Association towards the end of October 1946 that the first meeting of the Textiles Committee would be held in Brussels (Belgium) from the 14th to 22nd November 1946. As Mr. Krishnaraj M. D. Thackersey was unable to attend, Mr. N. H. Tata attended the Conference as the Employers' representative.

## BOMBAY PORT TRUST.

### ASSOCIATION'S REPRESENTATION ON THE BOARD OF TRUSTEES.

Under section 6 of the Bombay Port Trust Act 1879, the Association is required to elect one Trustee for a period of two years on the Board of Trustees. The Association was informed about the end of December that the Government of India were considering a general revision of the Port Trust and Port Acts. It transpired that Government were also of the opinion that more adequate representation should be given to Indian commercial interests, and the Association's views in this matter were invited by the Port Trust. The Committee pointed out that, in view of the stake which members of the Association had in Bombay City and Province, the representation of the Association on the Board of Trustees should be raised from one to two members. (*Appendix 1.*)

## MEMBERSHIP OF THE ASSOCIATION.

The total membership of the Association at the end of 1946 was 149 as against 148 at the beginning. Mr. V. R. Velankar, Proprietor, Shri Gajanan Mills, Sangli, was elected as a member of the Association on 18th October 1946.

The undermentioned mills ceased to be members of the Association from 1st January 1947 :

1. The Shri Chitra Mills, Proprietor : Mr. Geo P. Paul.
2. The R. G. Cotton Mills Ltd., Lucknow.

#### DONATIONS.

At the Annual General Meeting of the members of the Association held on Wednesday the 20th March 1946, the following donations were sanctioned and paid out of the Association's funds :—

	Rs.
The Bombay Municipality (for the purchase of an ambulance) .. .. .	11,000*
The Victoria Jubilee Technical Institute .. .. .	2,500
The Police Comforts Fund .. .. .	1,000
The Textile Technical School .. .. .	700
The Sir J. J. Hospital Nursing Association Fund .. .. .	500
The K. E. M. Hospital Poor Box Fund .. .. .	400
The Naigaum Social Service Centre .. .. .	350
The Goculdas Tejpal Hospital Nursing Association Fund .. .. .	200
The Bombay Textile and Engineering Association .. .. .	200
The Maharashtra High School .. .. .	250
Total .. .. .	17,100

#### AUDITORS OF THE ASSOCIATION.

At the Annual General Meeting of the Association held on Wednesday, the 20th March 1946, Messrs. A. F. Ferguson & Co. were appointed as the Association's Auditors for the year 1946 on a remuneration of Rs. 500 per annum.

#### DEATH OF MR. J. B. PETIT.

At a meeting of the Committee held on 18th February 1946, the following resolution was passed, all members standing :—

“ The Committee of the Millowners' Association, Bombay, place on record their sense of profound sorrow at the sad and untimely death of Mr. Jehangir Bomanji Petit.

“ Mr. Petit was intimately connected with the work of the Association for about a quarter of a century, and during this period, rendered valuable service both to the industry and the Association in various capacities. He joined the Committee in 1908 ; became its Deputy Chairman in 1914, and was the Chairman of the Association in the years 1915 and 1928. He represented the Association on the Board of Management of the Victoria Jubilee Technical Institute from 1914 to 1933 ; was the Association's representative on the Bombay Legislative Council in the period 1921/23 and 1928-34 and on the Senate of the University of Bombay in the period 1928/33.”

\*Not yet paid out.

The terms of the resolution were conveyed to Mrs. J. B. Petit, as well as to Mrs. S. N. Moos, Mr. Petit's sister.

#### MEETING WITH THE HON'BLE MR. C. H. BHABHA.

Early in October, the Committee of the Association took advantage of the visit to Bombay of the Hon'ble Mr. C. H. Bhabha who was then in charge of the Commerce Department in the Interim Government, and discussed with him informally certain matters affecting the cotton textile industry.

#### MEETING WITH THE EGYPTIAN COTTON MISSION.

Early in June, the Committee met members of the Mission, which had been sent out by the Egyptian Government to India, to report on the varieties of cotton required by cotton mills in India, and on the nature of competition which Egyptian cotton encountered in India, and discussed with them various problems relating to the use of Egyptian cotton in India.

#### WATER TAX PAYABLE BY MILLS.

*(See also page 16 of Report for 1945.)*

Reference was made on page 16 of the Association's report for 1945 to the test case filed in the High Court by a member of the Association challenging the validity of the increase in water tax made by the Bombay Municipality from 1st April 1944. The rate was first raised from 14 annas to Re. 1-2 per thousand gallons. Then, in the year 1945-46 it was again raised from Re. 1-2 to Re. 1-8. The increased rates were paid under protest. The test case has not yet been disposed of by the High Court, but it is likely that the issue will be settled by direct negotiations between the parties.

#### FIRE INSURANCE RATES FOR COTTON MILLS: ALLOWANCES FOR FIRE EXTINGUISHING APPLIANCES.

*(See also page 18 of Report for 1945.)*

Reference was made on page 18 of the Association's report for 1945 to the representation made by the Committee to the Bombay Fire Insurance Association for an increase in the fire extinguishing appliances' allowances in the Cotton Mills Tariff in view of the improved fighting organisation in mills due to A.R.P. and other measures and to the Fire Insurance Association's reply stating the reasons why they could not accept the suggestion.

Early in February, the Committee inquired whether the Fire Insurance Association would agree to have an informal discussion on the subject. The Fire Insurance Association were apparently doubtful about the utility of

Such discussion, and advanced the following points for the Committee's consideration :—

- (1) The circumstances under discussion were not peculiar to Bombay, but were in fact common to most of the countries in which Fire Insurance Association was interested, and the case put forward by the Association would involve a reversal of a decision already firmly established in countries most affected.
- (2) The A.R.P. appliances had acquired no new utility for ordinary fire-fighting by reason of the mere elimination of emergency risk with which they were designed to cope.
- (3) The work of ensuring that the appliances were at all times in efficient condition would involve an enormous addition to the work of their inspection service.

In view of the position taken up by the Bombay Fire Insurance Association, the Committee did not proceed further in the matter. (*Appendix 2.*)

#### PRICE OF FURNACE OIL.

(See also page 19 of Report for 1945.)

Reference was made on page 19 of the Association's report for 1945, to the alterations in the price of furnace oil made by Messrs. Burmah-Shell Oil Storage and Distributing Co., Ltd., from time to time, during 1945. The following further alterations in the price of furnace oil were made by Messrs. Burmah-Shell Oil Storage and Distributing Co., Ltd. in 1946.

Rs. 48-15	per ton of 2,240 lbs. delivery at mills within Bombay City municipal limit with effect from 1st January 1946.
Rs. 48-13	„ „ from 16th January 1946.
Rs. 53-11	„ „ from 5th April 1946.
Rs. 60- 3	„ „ from 14th August 1946.
Rs. 60-14	„ „ from 1st November 1946.
Rs. 59- 7	„ „ from 5th December, 1946.
Rs. 61-14	„ „ from 11th December 1946.

#### OIL STORAGE ACCOMMODATION IN BOMBAY COTTON MILLS.

The Committee had, on several occasions in the past, advised members to improve their oil storage accommodation, but the position continued to be unsatisfactory in some of the mills, and the necessity for improving the storage accommodation became evident when, as a result of a strike in the transportation staff of the Burmah-Shell Oil Storage and Distributing Co. of India, Ltd., deliveries to mills had to be curtailed, causing cessation of work in some of the mills. The Committee were anxious that such a situation should not arise in future, and, therefore, issued a recommendation towards the middle of May, to the effect that every mill should maintain a minimum reserve stock of oil sufficient for a month's consumption.

## WAR RISK INSURANCE SCHEMES (GOODS AND FACTORIES).

### COVER AGAINST RISK OF EXPLOSION OR FIRE FROM EXPLOSIVES OR MUNITIONS OR OTHER WAR MATERIALS.

(See also page 20 of Report for 1945.)

Reference was made on page 20 of the Association's report for 1945 to a representation made by the Committee suggesting that notwithstanding the termination of War Risk Insurance Schemes, free cover against risks of explosion or fire from explosives or munitions or other war materials, should be offered by Government for a further period of 24 months. The Government of India expressed their inability to accept this suggestion, but the Committee felt that, bearing in mind the fact that substantial quantities of war materials still remained to be transported from India, the Government of India should at least give an assurance to the effect that damage, if any, arising from explosion or fire from explosives or other war materials would be met by Government. Accordingly, a further representation on the subject was addressed to the Government towards the middle of March. No reply has so far been received from Government. (*Appendix 3.*)

## CONTROL AND REGULATION OF COTTON TRADE.

### UNITARY CONTROL OF THE COTTON TRADE.

(See also pages 55 and 200 of Report for 1939.)

Towards the middle of April, it appeared that the Board of the East India Cotton Association had under consideration certain proposals for the amalgamation of the Shri Mahajan Association with the East India Cotton Association. It was also understood that it was probable that if and when these proposals had been finally approved and accepted by the East India Cotton Association and the Shri Mahajan Association, Government would be asked to amend the Bombay Cotton Contracts Act, recognising the East India Cotton Association as the only recognised association charged with the unitary control of the cotton trade.

In a representation subsequently made to Government, the Committee urged that no amendment of the Cotton Contracts Act should be undertaken unless the constitution and by-laws of the East India Cotton Association had been gone into and suitably amended by a Committee of Inquiry with comprehensive terms of reference. The Committee were in agreement with the principle underlying unitary control, but they held that the body charged with the powers of unitary control should provide for adequate representation of all parties interested in the trade and exclude the possibility of any particular section of the trade obtaining a controlling voice in the affairs of the East India Cotton Association.

Towards the end of September, the Committee were informed that the Government of Bombay had constituted a committee consisting of three Ministers to go into the question of legislating for the control and regulation of cotton trade in the Province, and in particular, of forward trading in cotton, and were supplied by Government with a copy of a questionnaire on which Government desired to have the Committee's views.

The questionnaire and the Committee's replies are reproduced below :

**Question.—1.** Trading, and in particular forward trading, in cotton is controlled by the Provincial Government, within the limits of the City of Bombay and the Island of Salsette, under the Bombay Cotton Contracts Act, 1932, to the extent that :

- (i) Government has taken power to recognise Cotton Associations. It is open to Government to recognise more than one Association, but, in pursuance of its policy of unitary control over forward trading in cotton, Government has recognised only one association, viz., The East India Cotton Association ;
- (ii) The by-laws of a recognised association are subject to the approval of Government. (Under the Bombay Options in Cotton Prohibition Act, 1939, Government has also the power to impose by-laws in respect of all except certain specified matters ; but this Act, which is a section 93 measure, will lapse in due course, unless, meanwhile, re-enacted) ;
- (iii) Contracts not in accordance with such by-laws are void.

Are you in favour of wider control in one or more of the following ways :—

- (i) Extension of the measure to the whole Province : In which case :
  - (a) should there be only one recognised Association for the whole Province, or
  - (b) should certain places, e.g., Ahmedabad, have Recognised Associations of their own ? If so, should Associations in places outside Bombay be permitted to trade in the hedge contract allowed in Bombay or should forward trading in places outside Bombay be restricted to local growths and to delivery contracts only ?
- (ii) Government to take power to impose by-laws in all matters.
- (iii) (a) Contracts not in accordance with the by-laws of a Recognised Association should be illegal (and not merely void), i.e., the parties thereto should be punishable under the law ; and
- (b) it should be a penal offence for any person to organise, assist in organising or be a member of an unrecognised Association.

**Answer to Question (1).**—It might be advantageous to have forward trading regulated on a uniform basis throughout this Province and if possible throughout India. This could be done by all Cotton Associations being made to conform to certain essential conditions. What those conditions should be might be specified by a special Act, and might be determined by a Committee of Inquiry with wide terms of reference after studying the method of regulations and control adopted particularly in the U.K. and the U.S.A.

Control of forward trading in the whole of the Province by one Recognised Association should be the ideal to be aimed at. It is realised, however, that this ideal can only be achieved by gradual stages in the light of experience gained. In the meantime, not more than one Recognised Association should be allowed to exist in one centre or well-defined local area.

The Association cannot, however, lose sight of the fact that for business other than futures, an alternative arrangement should exist, if, for any reason, the Recognised Association fails to function efficiently. Such an arrangement is necessary in order to avoid dislocation which might otherwise be caused, not only to manufacturers, but also to traders and growers.

Government should have the power not only to impose and settle by-laws in all matters, after consulting the trade interests concerned, but should also have the power to provide that such by-laws are strictly adhered to. To facilitate matters, it is suggested that the Government of Bombay should be empowered to nominate a representative to the Board of the East India Cotton Association so that an effective system of liaison may exist between Government and the Cotton Association.

We agree that contracts not in accordance with the by-laws of a Recognised Association should not only be void in law but illegal and punishable under the law. Similarly, a person who organises or assists in organising an unrecognised Association should also be penalised.



*Question. 2.*—Assuming that, under the law, as proposed to be modified above, the East India Cotton Association remains the only Recognised Cotton Association in the Province, what changes, in your opinion, would be necessary in the present constitution and by-laws of that Association? In particular:

- (i) Would you retain the present panel system of electing Directors? If not, what system would you advocate in order to safeguard, and provide adequate representation for the different interests, viz., growers, buyers, sellers, and brokers.
- (ii) Have you any suggestions regarding:
  - (a) admission of new members and transfer of membership;
  - (b) trading hours and holidays;
  - (c) the Ring Committee, and the present system of election thereto;
  - (d) the present system of survey and arbitration and the fixation of spot rates;
  - (e) preparation of standards for Indian Cotton, both for grade and staple;
  - (f) licensed warehouses;
  - (g) prescription of minimum brokerage, and precautions to avoid evasion thereof; and
  - (h) prevention of bear raids and squeezes.
- (iii) Would you favour any changes being made with a view to facilitating the amalgamation of other Associations, e.g., the Shri Mahajan Association, Bombay, with the East India Cotton Association? In particular, would you suggest:
  - (a) a general reduction in the membership fee of the East India Cotton Association or the opening of a separate class of membership for the smaller traders? If the latter, what should be the rights and privileges of such separate class of members, e.g., right of voting at General Meetings?
  - (b) an increase in the present number of Directors; if so up to what number and on what basis?
  - (c) a lower unit of trading for the smaller traders; if so, to what limit?
  - (d) a separate Trading Ring for the smaller traders or one Trading Ring for all traders?
- (iv) Should options in Cotton ("Teji-mandi" transactions) be made illegal? Or continue to be void? Or be recognised and brought under control?

*Answer to Question 2.*—(i) In our view, the panel system should be maintained not only in the matter of electing Directors to the Board of the East India Cotton Association, but also for the purpose of holding general meetings of the East India Cotton Association. The existing constitution of the East India Cotton Association is unsatisfactory. One of the objects of that Association is to facilitate ordinary marketing of cotton and to protect the interests of *bona fide* purchasers, users and producers of actual cotton, and the Association would not be achieving this object so long as one particular section of the trade, namely, brokers, who are least concerned in dealing in actual cotton, has preponderating voice in the management of the Association. Full safeguards for all sections cannot be achieved since the brokers' panel can at present command a clear voting majority at any general meeting, with the result that no amendment of the by-law is possible, though it might be in the interest of the trade as a whole. In this view of the case, the Committee of the Association are in favour of the East India Cotton Association immediately reverting to the old system of Representative Committees under which system the total number of votes at general meetings would not be cast on the basis of one vote per every member of the East India Cotton Association, but one vote per every member of the Representative Committee. If this proposal is accepted, it would prevent brokers by sheer weight of numbers voting out any desirable reform in the trade wanted by the other sections of the trade. In this connection, the Committee of the Association desire to remind Government that prior to 1931, the Articles of Association of the East India Cotton

Association recognised six panels. Each panel was authorised to nominate 15 representatives to the Representative Committee, and the general meetings of the East India Cotton Association which, in fact, were general meetings of the Representative Committee, consisted of 90 members elected by the various panels, and under this arrangement it was impossible for any particular section of the trade to override the wishes of the other panels by weight of numbers. My Committee's experience of the working of the East India Cotton Association subsequent to 1931 has not been happy. There have been occasions when proposals sanctioned by the Board of the East India Cotton Association and carried by a show of hands at the following general meeting of the East India Cotton Association were defeated when a division was challenged, the brokers carrying the day by virtue of the numerical superiority they possessed.

Turning now to the Board of the E.I.C.A., my Committee suggest that the Board be reconstituted as under : 5 members each from Brokers, Buyers and Sellers ; 5 Growers ; 1 to represent general trade ; and one Government nominee.

(ii) (a) If the Committee's suggestion about the reversion to the Representative Committee system is accepted, then matters regarding admission of new members or transfer of members are of no great consequence. Taking into consideration, however, the need for maintaining effective control of the trade, new membership might be restricted to, say, a small percentage over the existing number of members, such admissions being allowed with the consent of four-fifths majority on the Board of the East India Cotton Association.

In this connection, this Association is advised that the present Articles of the E.I.C.A. do not expressly permit transfer of membership from one panel to another. Certain transfers have taken place nevertheless, and the Association, therefore, desires to submit that if a transfer of membership is desired, it should be permitted only under exceptional circumstances, i.e., if an exporter, for instance, ceases to be an exporter and does only brokerage work.

(b) All principal cotton markets of the world observe fixed trading hours and holidays. My Committee suggest that trading hours and holidays be fixed and adhered to for all time except when a grave emergency arises. The holidays should, it is thought, correspond to those settled under the Negotiable Instruments Act, and under no circumstances should the market be closed on any day other than recognised holidays.

The Committee are aware that the market remains closed on the death of a prominent member. It is thought that the necessities of the case would be met by keeping the market closed for one hour only for this purpose.

As regards trading hours, the Committee suggest that trading should be permitted only between the hours of 11 a.m. and 6 p.m. Infringement of by-laws regarding trading hours and holidays should be regarded as a grave offence. Our remarks regarding fixed holidays and trading hours are also applicable to the Ready Market at Sewree, which, according to our information, remains closed or opened as the Muccadams' Association or its prominent members desire. It is submitted that in case the closing of the Ready Market is desired under exceptional circumstances, on days other than public holidays, prior notice should be given, and the needs of the trade should be consulted.

(c) The Committee of the Association insist on the East India Cotton Association taking charge of, and being responsible for the conduct of trading in the Ring. The Ring Committee should be elected only by the Representative Committee of the E.I.C.A., and all members of the E.I.C.A. who are British subjects should have a right to trade in the Ring provided they hold the necessary cards.

There is another point which we desire to submit and that is, elections to the Ring Committee are not based on the panel system, and the numerical superiority of the brokers enable them to return their own nominees to the Ring Committee, which, it may incidentally be pointed out, has consisted exclusively of broker members. It is, therefore, submitted that every panel should be entitled to elect a fixed number of members to the Ring Committee.

It is understood that sub-brokers are at present allowed into the ring, thus giving them a privileged position, on payment of an annual subscription without any personal responsibility to the members of the E.I.C.A. or the public who might trade with them. No

Association could exist unless members thereof accept full responsibility to one another for their transactions and unless their employees and sub-brokers were responsible to them and through them to the Board of the E.I.C.A., and unless all ring traders were on an equal footing. It is conceded that, if admission were denied to the sub-brokers, a certain amount of hardship may arise in the case of those sub-brokers who have enjoyed those privileges for some considerable time, but, to overcome this difficulty, it is suggested that those sub-brokers who are on the list on 1st October 1946, be given the option of becoming full members of the E.I.C.A. If such option is not availed of, it is understood that they would forfeit their admission card.

(d) We recommend the introduction of a system of blind surveys with whole-time surveyors. Government accepted this suggestion some time ago, but left it to the E.I.C.A. to work out the exact details of a scheme, but it is understood that nothing has so far been done in this matter. There is to-day in force a system of blind survey appeals and super appeals for determining the qualities and staple of cotton that is tendered against the hedge contracts. In spite of the different Arbitration Committees, somehow or other the trade has never been fully satisfied with the result. Recently, as Government are aware, there has been either an extremely long or short position in the market, and some time allegations have been made against the manner in which these survey appeals and super appeals are held. The best way out of the difficulty seems to be to put the system of arbitration on the basis of certification of cotton as appears to prevail in U.S.A. and which requires a sufficient number of people as salaried persons, whose integrity and honesty may be above suspicion, to undertake these arbitrations and surveys.

(e) In para 21 of their report, the Bombay Cotton Contracts Act Committee stated:—

“Closely connected with this question of quality surveys is that of universal standards, which do not exist in India, but are a matter of great importance in the American system. It has been brought to our notice that a considerable difference may exist in the standards of different centres, as for example, between those of Karachi and Bombay. It is true that the bulk of cotton in India is actually sold on type and not on class, so that the question is not really so important in India as elsewhere, and it is also true that if the Bombay system of surveys succeeds in establishing a reputation, Bombay standards will in this way indirectly spread throughout India. But we recognise that some universality of standard is most desirable, so that, for example, what is known as ‘Fine Bengal’ in Bombay may be ‘Fine Bengal’ throughout India in all places where there is an association controlling cotton dealing according to class. We recommend, therefore, that the Standards Committee of the East India Cotton Association should refer this question to the Imperial Council of Agricultural Research established by the Government of India and invite their assistance.”

The question of adopting universal standards for Indian cotton, it would appear, had also been before the Indian Central Cotton Committee on various occasions, and it had been suggested that they should seek the assistance and co-operation of the Imperial Council of Agricultural Research after ascertaining “which of the commercial bodies should have a hand in the matter.” Towards the end of September 1932, the Indian Central Cotton Committee requested the Association’s views in the matter.

The Committee of the Association are not aware whether and, if so, what progress has been made by the East India Cotton Association in this direction. To our knowledge, there is a good deal of dissatisfaction about the standards prepared by the E.I.C.A., and the Committee are anxious that early action should be taken to set matters right.

(f) The Association welcomes the introduction of a system of certified godowns or bonded warehouses. This matter, however, requires careful investigation, and it is, therefore, thought that the E.I.C.A. should appoint a representative committee including representatives of the trade, the Port Trust authorities and representatives of banks to examine the question *de novo* to find out whether and, if so, to what extent it is possible.

(g) My Committee are in favour of the East India Cotton Association fixing a standard rate of brokerage. It should also be made clear to all broker members that, on no account, should any rebate in brokerage be allowed.

(k) The amendment and enforcement of the Articles of Association and by-laws of the East India Cotton Association is calculated, it is submitted, to prevent bear raids and squeezes to a very considerable extent.

(iii) The Association welcomes the amalgamation of the Shri Mahajan Association with the East India Cotton Association. The Association is not concerned with the terms and conditions on which the amalgamation takes place, so long as they are under the rules of the E.I.C.A. The Association objects to a special class of membership being created as a result of the amalgamation, and that after the amalgamation has taken place, representation on the Board and the Representative Committee of the E.I.C.A., would be in accordance with the rules of the E.I.C.A., and would not accrue to any particular individual or individuals by virtue of the fact that he was a member of the Shri Mahajan Association. This Association particularly desires to point out that the proposed merger of the two Associations particularly brings to the forefront the re-introduction of the old institution of the Representative Committee with a view to ensure that brokers do not overrun the other sections of the trade. The membership of the Shri Mahajan Association is reported to include a very large number of brokers, and their access into the East India Cotton Association would still further tip the scales in favour of the speculative elements of the trade, to the detriment of buyers and sellers.

(iv) (a) The Association is opposed to the introduction of a new class of membership on a lower subscription.

(b) This question has already been answered.

(c) The Association is not in favour of any further reduction in the unit of trading.

(d) The Association is in favour of one trading ring for all traders.

(v) "Teji-Mandi" transactions should be void and also illegal.

**Question 3.**—Does the present hedge contract (the Indian Cotton Contract) need modification? If so, in what respects and how should it be modified?

**Answer to Question 3.**—This is not the proper time to consider and revise the existing schema of hedge contracts. The Committee are, however, of opinion that, in the interest of mills, up-country tenders, which were only introduced during the war owing to transport difficulties, should now be abolished.

## IMPORT DUTY ON RAW COTTON.

(See also pages 30 and 154 of Report for 1942.)

Reference was made on page 30 of the Association's report for 1942 to the Cotton Fund Ordinance according to which an additional duty of one anna per lb. was imposed on raw cotton imported into British India. The Ordinance further provided that the proceeds of this additional duty should be credited to a separate fund and utilised by Government to finance such measures for the growers of cotton in India as they thought advisable.

In introducing his budget proposals for the year 1946-47, the Finance Member to the Government of India announced that as the fund created under the Cotton Fund Ordinance had sufficient balance to its credit to carry out the purpose for which it was created, it was no longer necessary to add to the fund by the proceeds of a special duty. He, therefore, proposed to amalgamate the two charges, viz., customs duty at the rate of one anna per lb. and the additional duty levied by the Cotton Fund Ordinance, into a consolidated duty of two annas per lb.

Government's proposals were discussed by the Committee, and the following telegram protesting against the proposals was sent to the Government of India :—

" Committee Millowners' Association Bombay respectfully but emphatically protest against Finance Member's proposals regarding import duty raw cotton.

An import duty of six pies per pound was first imposed on raw cotton in 1931 purely as a revenue measure. Duty increased to one anna in 1939 by certification as Assembly refused to sanction it. By Ordinance number eight of 1942 a further duty of one anna was imposed to enable a fund to be established for financing measures for benefit of growers of cotton. Association expected when war emergency disappeared additional duty imposed by Ordinance would be removed. Government now propose consolidation of this duty at two annas a pound which my Committee strongly feel is a retrograde step unjust to cotton textile industry and should in all fairness be removed.

Taxation of raw materials of an industry is against all canons of taxation. Finance Member says he has recognised need for relief from customs duty of raw materials imported for industry to the extent this may be practicable without injury to Indian manufacturers of similar goods. Yet raw cotton has been taxed as stated though India does not grow in commercial quantities cotton comparable in staple and spinning qualities to imported varieties.

Taxation of imported cotton is not calculated to help Indian cotton grower. On the other hand it will penalise development of industry in certain directions considered most essential for future welfare of industry.

Duty will re-establish increased cost of production of fine Indian cotton goods and yarn and hence impose a handicap on Indian manufactured piecegoods and yarn for internal use and for export from the country in competition with similar goods of foreign manufacture.

Therefore urge abolition duty proposed raw cotton or at least reduce it to one anna as circumstances under which a duty of one anna was imposed by Ordinance eight of 1942 no longer as admitted by Finance Member exist.

If Government unable to agree wholesale abolition duty imported cotton respectfully invite attention to undertaking contained in Commerce Department letter 341T-29/38 October 1st, 1941, addressed to Association and request sanctioning of a rebate of duty paid on imported cotton and mill stores used in manufacture cotton goods exported from India."

Government's proposals for doubling the customs duty on the imports of raw cotton was, however, passed by the Legislature, and came into effect on 1st March 1946.

### EXPORT DUTY ON RAW COTTON.

On 26th October 1946 the Government of India issued an Ordinance amending the Indian Tariff Act, by which Government were empowered to impose an export duty on raw cotton at such rate, not exceeding seventy-five rupees per bale of 400 lbs., as they may, by notification in the official Gazette, from time to time, determine.

By a notification, dated the 26th October 1946, Government fixed the rate of duty at Rs. 20 per bale of 400 lbs., which came into force from the date of the notification, i.e., 26th October 1946.

## IMPORT OF EAST AFRICAN AND SUDAN COTTONS.

Towards the middle of November, the Committee addressed the following telegram to the Government of India :—

“Committee Millowners' Association Bombay strongly urge continuance existing price control and distribution control over East African and Sudan cottons for another year.”

In the middle of January 1947, Government held a conference of Government representatives, non-official delegates, and representatives of the East African and Sudan Governments for considering the question of import into India of East African and Sudan cotton. Mr. Bhagwandas C. Mehta and Mr. Krishnaraj M. D. Thackersey were present at the Conference as the Association's representatives.

The following arrangements were ultimately fixed up for 1947 :—

- (a) Basic price to be Rs. 920 for BP52.
- (b) The quota for export of cotton piecegoods from India to East Africa and Sudan to be increased by 10 per cent.
- (c) Previous price differentials would continue.

## STOCKS OF RAW COTTON.

### BILL TO FACILITATE THE COLLECTION OF STATISTICS.

A Bill to facilitate the collection of statistics of stocks of Indian raw cotton in the Province of Bombay was published in July 1946 by the Government of Bombay. The statement of objects and reasons attached to the Bill reads :

“Statistics of stocks of cotton held by the trade at the end of a season are at present collected on a voluntary basis. It has been found that these statistics are incomplete and unsatisfactory as a number of ginning and pressing factories and dealers in cotton do not furnish the required information. The importance of correct statistics of stocks of cotton held in the country in deciding any problem relating to cotton, particularly during the present post-war period, is self-evident. With a view to collecting accurate statistics of stocks of cotton, Government consider it to be expedient to make it compulsory for the owners of cotton ginning and pressing factories and all persons trading in cotton to declare the stocks of Indian raw cotton held by them on the 31st August of each year. It is necessary to give officers engaged in the collection of statistics powers of entry and inspection to enable them to check the accuracy and veracity of returns.

The information obtained must not be utilised except for the purpose of supplying statistics relating to cotton required by the Indian Central Cotton Committee constituted under the Indian Cotton Cess Act, 1923, and such other purposes as Government may direct. No return or part of it should, except with the consent of the person furnishing it, be published in a manner that would reveal that it pertains to a particular factory or person. Unauthorised disclosure of information must be prohibited.

This Bill provides accordingly and makes a breach of its provisions punishable.”

The Bill was passed by the Provincial Legislature, and became an Act after receiving the Governor-General's assent on 6th November 1946.

## RAW COTTON : CENSUS OF STOCKS.

### CLASSIFICATION ACCORDING TO AGE.

About the end of December, the Secretary, Indian Central Cotton Committee, invited the Committee's views on a proposal that the statistics of stocks of the different varieties of cotton at present compiled by the Indian Central Cotton Committee should also be classified according to the age of the cotton, i.e., the year in which it was grown.

The Committee stated in reply that they were in agreement with the suggestion provided that the information could be secured from mills and other stockists of cotton.

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## REPORT OF THE POST-WAR PLANNING COMMITTEE ON THE EXPANSION OF THE COTTON TEXTILE INDUSTRY.

(See also pages 44 and 106 of Report for 1945.)

In February 1945, the Government of India appointed a Committee to prepare a plan for the development of the Indian cotton textile industry. The Committee submitted their report to Government in November 1945, which has since been published by Government. Government's decision on the Committee's report is reproduced in *Appendix 4*.

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## LEGISLATION FOR BRINGING THE TEXTILE INDUSTRY UNDER FEDERAL CONTROL.

On the 7th November 1946, the Council of State adopted the following resolution, moved by the Honourable Sir N. Gopalaswami Ayyangar (Madras : Non-Muhammadan) :—

“ This Council recommends to the Governor-General in Council :

- (a) that the continuance in a state of up-to-date efficiency of Indian cotton mills (both spinning and weaving), and their expansion as well as the establishment in properly sited localities in Provinces and States, of new mills, in accordance with a national plan are imperatively necessary for preserving and promoting the progress of the handloom industry, for meeting adequately the growing internal demands for yarn and cloth, for building up a promising export trade in manufactured cotton goods, and above all for raising the standard of living of the common man both in the cities and the countryside ;
- (b) that the threat to the Indian mill industry which one Provincial ministry had sounded already, and which, there is reason to fear, might be sounded by other Provincial ministries also, deserves to be effectively countered ; and
- (c) that, therefore, federal legislation be undertaken without delay to declare that the development of the cotton mill industry under federal control is expedient in the public interest and to provide for this development in the interest of India as a whole and on nationally planned lines.”

The resolution, it appears, was the outcome of a series of declarations made by Mr. Prakasam, who was then the Prime Minister of Madras, on his Government's policy on the expansion of the cotton textile industry in Madras. This is what Mr. Prakasam said on 2nd October 1946, in a

village called Erraguntapalam (a reference to which was made in the House by the mover of the resolution) :—

“ The Government are launching this *khadi* programme of theirs with complete faith in its efficiency as a beneficial scheme for our people and confidence as to its success if given a trial under fair conditions. They must, therefore, take steps to remove all the handicaps in the way. It has accordingly been decided not to allow any new cotton textile mills to be set up in this Province. Even the expansion of the existing mills will not be permitted and the Central Government will be informed that the allotment of spindles and looms made to this Province under the post-war plan be cancelled.”

## EXPORT TRADE IN COTTON PIECEGOODS AND YARN DURING THE POST-WAR PERIOD.

(See also pages 46 and 108 of Report for 1945.)

Reference was made on page 46 of the Association's report for 1945 to the representation made by the Committee to the Government of India setting forth the Association's views regarding the basic principles which should, in their opinion, be followed in developing the export trade of cotton piecegoods and yarn during the post-war period. The Committee had also expressed in their representation their agreement with the proposals made by the *ad hoc* Export Sub-Committee of the Textile Control Board regarding the allocation of export quotas to various countries. It had further been pointed out that with a view to develop India's export trade in cotton piecegoods and yarn, a rebate or subsidy equivalent to an amount which would offset the duty paid by the industry on the raw materials and stores used in the manufacture of cotton piecegoods and yarn for export, should be given by Government.

Referring to the suggestion for the grant of a rebate, Government stated in their reply that they had already accepted, in principle, the grant of such a rebate of duty in respect of import of cotton used in the cotton manufactures for export, and that suitable action would be taken when it was actually found necessary to inaugurate the rebates. (*Appendix 5.*)

## RESTRICTION OF PRODUCTION OF CLOTH FOR EXPORT.

On 16th May 1946, Government telegraphically ordered all mills in India to stop forthwith the production of cloth for export until 1st August 1946.

The following Press Note subsequently issued by Government explains the circumstances under which the order was issued :—

“ In order to meet immediate domestic requirements of India, the Textile Commissioner to the Government of India has issued a direction to all the mills and powerloom factories in India to stop forthwith production of cotton cloth for purposes of export out of India. This direction will be effective till the 31st of July 1946. No deliveries of cloth meant for export can now be made by the manufacturers. This direction, however, does not affect cloth which has already been manufactured and being stamped with prescribed markings for export was ready for delivery for export on 17th May, 1946, nor does it affect cloth manufactured for Defence requirements or cloth being manufactured for Government and Government exports in accordance with the Textile Commissioner's Orders. The Textile Commissioner will, however,



consider applications from mills for which a form has been prescribed for issue of special permission in certain cases, such as export to countries providing foodgrains to India or for cloth on looms which is unsuitable for consumption in India."

### FIXING OF EXPORT QUOTAS OF PIECEGOODS ON A SQUARE YARD BASIS.

Towards the end of December 1945, the Export Trade Controller invited the Committee's views on a proposal to fix cotton piecegoods export quota on a square yard basis instead of on a lineal yard basis.

The Committee, after consulting members, expressed the view that the proposal was not acceptable for the following, among other, reasons :

In the first instance, the quota scheme had been functioning for a fairly long period on a lineal yard basis, and any change made at this stage would upset the whole practice and procedure.

The import licensing system in countries where such systems existed, were based on the lineal yard basis. In this connection, it was pointed out that Australia, which had a square yard basis, had recently changed over to the lineal yard basis, and if India changed over to a square yard basis, it would naturally affect the established trade relations between India and Australia.

The suggestion made in certain quarters, viz., that the computation of export quota on a lineal yard basis had resulted in the export of cloth of wider widths and that, in consequence, there had been a shortage in the available wider width looms for making *sarees*, etc., was not maintainable. Cloth is generally sold to overseas markets according to the special requirements of each market, and as long as manufacturers and exporters sought to export cloth in widths, which were usually in demand, it could hardly be said that either the exporters or the manufacturers gave preference in the matter of widths for cloth meant for exports. Moreover, the number of looms to be run on *dhoties* and *sarees* by each mill was determined and fixed in accordance with the control regulations in force; and, therefore, it could not be said that the existing basis of export quota affected in any way the availability of wider width looms for manufacturing *dhoties* and *sarees*. (Appendix 6.)

### SCHEME FOR INCREASING PRODUCTION OF CLOTH AND YARN IN INDIVIDUAL MILLS.

(See also page 53 of Report for 1945.)

Reference was made on page 53 of the Association's report for 1945 to the provisions of the Textile Industry (Control of Production) Order, 1945, which was issued by the Government of India with a view to secure increased production of cloth and yarn in the country.

During the latter part of the year 1946, the production of cloth and yarn recorded a considerable fall, partly due to the reduction effected by Government in working hours of mills from 9 to 8 per shift from 1st August

1946, and partly due to the communal disturbances which broke out in September last, *hartals*, strikes, absenteeism and various other factors.

The position seems to have been reviewed by the Chairman of the Control Board, and towards the end of January 1947, he prepared a tentative scheme, the main object of which, it was stated, was "to enable each and every individual mill in India to increase its production of cloth by so adjusting its qualities of production of cloth to those specified in the standard schedule" prepared by him "so as to be able to attain an increase in total production over the average production for the period January/June 1946." The Committee of the Association agreed that all possible efforts should be made to step up production. They felt, however, that it would be a mistake to apply any rigid scheme, but that reasonable relaxation should be permitted to individual mills according to their individual circumstances to increase production.

The Industry's Committee of the Textile Control Board, it transpired, considered the scheme prepared by the Chairman of the Control Board at their meeting held on 18th February 1947. Briefly stated, the Industry's Committee are reported to have observed that without a proper organisation for central enforcement under the Textile Commissioner, no such scheme would succeed in its objective. However, having regard to the diverse equipment of greatly differing age and efficiency in Indian mills, the Industry's Committee considered that no single scheme would secure maximum production by rigid application to all mills. The Industry's Committee also felt that while the Chairman's scheme, after amendment in detail, might be accepted as one method, others such as spinning at an average of 10 per cent. below the average count for which a mill is balanced, and by reducing picks by 10 per cent. with a suitable minima must also be made use of to secure higher production.

The Industry's Committee were not, however, unmindful of the fact that consumers' interests in cloth was qualitative as well as quantitative, and that any scheme which limited or prohibited the production of high quality cloth was bound to be unpopular among a large section of consumers, and that such drawbacks should be recognised in advance and accepted.

The Industry's Committee further conceded that no scheme to secure the working of mills at maximum efficiency and production was likely to succeed unless and until the price level was re-aligned so that no range of counts had any great advantage over others, and that Government recognised the principle of periodic changes in the price level as and when conditions justified them. The Industry's Committee further laid stress on the difficulties which were inherent in any scheme for increasing production, and in this connection reference was made to insufficient supplies of vital millstores, lack of co-operation from labour and refusal of Government to accept the Industry's Committee's recommendation on the re-alignment of prices of cloth and yarn, and it was pointed that so long as these difficulties remained, an increase in production of cloth and yarn was not likely to be achieved.

It is understood that the recommendations of the Industry's Committee are being examined in detail by an *ad hoc* Committee appointed by

the Government of India consisting of Mr. Dharma Vira, I.C.S., Textile Commissioner, Mr. G. R. Kamat, I.C.S., Joint Financial Adviser (Supply), Bombay, and Mr. T. Sivasankar, I.C.S., Secretary, Development Department, Government of Madras. Their report is awaited.

## PROTECTION TO COTTON TEXTILE INDUSTRY.

### TARIFF BOARD ENQUIRY.

(See also pages 51 and 249 of Report for 1934.)

Reference was made on page 51 of the Association's report for 1934 to the Indian Tariff (Textile Protection) Amendment Act, by which the Government of India imposed protective duties on certain types of cloths and yarn imported into British India, for a period of five years, i.e., upto 31st March 1939. By the Indian Tariff (Third Amendment) Act, 1939, protection was extended for a further period of three years terminating on the 31st March 1942. The protection was, further, extended from time to time, and the last such extension was due to expire on 31st March 1947.

Towards the end of December, the Committee were informed that the Government of India had asked the Indian Tariff Board to undertake a summary examination in order to determine the interim action to be taken in the matter of the tariff duties on cotton textile goods pending a fuller examination in the context of normal circumstances. The Committee were also requested to forward their views in this matter to the Tariff Board.

In reply the Committee pointed out that :—

- (a) Though the war had ended, the abnormal conditions which it had brought about still continued.
- (b) There was at the moment an overall world shortage of cloth. The prominent overseas competitors of the Indian cotton textile industry had their own difficulties to overcome, or had already undertaken other commitments.
- (c) Imported cottons like Egyptians and Sudans, were being obtained by mills through Government at fixed prices. Prices of cloth were controlled by Government. Certain important items of stores like fillets, pirns, etc., were also controlled.
- (d) Cost of production of Indian mills at the moment was very much more than it was when the quantum of protection was fixed up, and these costs would be further increased in the near future, due, among other reasons, to certain labour welfare measures which were pending before the Central Legislature or were under consideration of Government.

In these circumstances, it was suggested that the existing level of protection might be continued for a further period of two years, i.e., till March 1949, and the question might be reviewed at the end of 1948, if, by that time, the industry made an application for an extension of protection. This suggestion, it was submitted, was made in the sincere hope that conditions in 1948 would be nearer normal than in 1946-47.

At the instance of the Committee, a joint meeting of the representatives of the cotton textile industry was held in the rooms of the Association on the 20th January 1947, and issues arising out of the proposed Tariff Board enquiry were discussed. Oral evidence before the Tariff Board was tendered on the 21st and 22nd January 1947, Sir Homi Mody acting as the industry's principal spokesman. (*Appendix 7.*)

### GOVERNMENT'S LABOUR POLICY.

Early in May 1946, the Hon'ble Mr. Gulzarilal Nanda, the Minister for Labour, Government of Bombay, met the Committee of the Association and discussed with them Government's intentions regarding the labour legislation in the Bombay Province. Subsequently, in the same month, Government issued a "Statement of Labour Policy of the Government of Bombay" which is reproduced below :—

1. Through its election manifesto the Indian National Congress has made certain promises to the working classes. The present Ministers of the Government of Bombay are determined to implement these undertakings, in the Provincial sphere, to the utmost limit of the available resources. As an earnest of this resolve a special Ministry of Labour has been created in Bombay this time. In its earlier period of office, in the year 1937, the Congress Ministry issued a declaration of policy which paved the way for a variety of measures for the benefit of the workers. That declaration still remains an appropriate basis for action but to serve the needs of the moment, it has to be enlarged and extended in several directions. A programme of Government activity for the betterment of the working class is being worked out. In the meanwhile, it is possible to indicate the lines of advance visualised for the near future.

2. In the interests of both the workers and the industry it is intended, in the first place, to develop to a further stage the scheme of industrial relations embodied in the Bombay Industrial Disputes Act. Government would not now remain content with just removing hindrances in the way of labour's effort to organise itself. It proposes to supply a very real impetus for the growth of sound organisations of industrial and other workers. Regular trade unions having been accepted as an integral part of the apparatus of civilised administration, the Government of Bombay will do its utmost to strengthen such organisations so that they may perform effectively their function of service to the working class and the community. The seven years' experience of the working of the B.I.D. Act has also revealed a few legal gaps and ambiguities, and brought out certain administrative difficulties which Government hopes to be able to remedy now by an amending Act.

3. The workers may feel assured that the Government of Bombay will explore further ways of checking arbitrary dealings on the part of employers and removing delays in the redress of grievances. Government is equally anxious to ensure that the course of efficient production is not hampered by thoughtless and needless stoppages of work. To secure these twin objects it is proposed to create some simple type of machinery for prompt and final disposal, by judicial or semi-judicial methods, of the routine and minor differences between employers and employees, which so often create acute bitterness and unrest and lead to heavy loss of production and of workers' earnings. The peaceful settlement of disputes involving substantial issues is also assured by the fact that opportunities for arbitration and adjudication will be made freely available to the parties by the operation of law or through the good offices of Government.

4. Government is concerned at the excessive frequency of illegal strikes in the City of Bombay. While offering to lend every aid in the speedy redress of legitimate grievances Government wishes to make it plain that the workers who have recourse to illegal strikes should look for no sympathy or help from it and organisations which directly or indirectly encourage such strikes will receive no countenance at its hands. This applies equally to

those who resort to illegal practices in the course of strikes which are otherwise lawful. But in case the workers apply for arbitration which is refused by the employer, any strike in consequence, as long as it is conducted peacefully, would be entitled to full sympathy and support from the community. It will be Government's policy to put down any attempt to break such strikes by force or other undesirable means.

5. Government further considers it desirable to assist the growth of the workers' sense of responsibility towards the industry and the community by securing increasing association of the employees in the administration of the industry especially in matters directly affecting their own health and comfort.

6. The Textile Labour Inquiry Committee appointed by the Congress Ministry in the year 1937 made an interim report as a result of which 2½ lakhs of textile workers in the Province obtained wage increases ranging from 6½ per cent. to 18 per cent. The Committee's final report, based on an exhaustive survey contains an array of valuable recommendations on which no action has been taken so far, Government is going to take up immediate consideration of the Committee's report with a view to exploring all possible ways of giving the maximum effect to its recommendations.

7. The Committee's work in connection with the proposed standardisation of wage rates in the textile industry in the city of Bombay is a matter of outstanding importance. Overhauling of the wage structure of these mills has been long overdue but has been unfortunately not pursued during the five years that have elapsed after the Report was submitted to Government. This part of the Committee's recommendations has now been submitted to the Industrial Court for arbitration, and one can now be sure that standardisation of wages will soon be undertaken to assure a fair scale of remuneration to the workers in all occupations in the industry in Bombay. This would be followed by similar reform in other centres of the textile industry in this province.

8. To prepare the necessary foundation for a long-range policy for the settlement of wage claims and the fixation of minimum wages, Government has decided to set up machinery for the collection of statistical data in respect of all categories of wage earners in the Province.

9. The working of the Shops Act, which has been in force for the last eight years, will be reviewed and an early endeavour will be made to remove the deficiencies that may be disclosed.

10. Government hopes to be able to devote much greater attention than has hitherto been found possible, to the needs and conditions of the workers scattered in very small workshops and establishments as also domestic servants, not so far coming within the purview of the factory and other legislation. Government believes also that the stage has arisen when agricultural labour should be brought increasingly within the scope of its measures for the amelioration and protection of the working class. Possibilities in this direction will be explored with the help of the departments responsible for rural administration and uplift.

11. The employment procedures in industry have to be examined and overhauled, to eliminate injustice and corruption and to ensure the continuity of an adequate and efficient supply of labour. The *badli* control system adopted by the textile mills in the city of Bombay has yielded good results, to an extent. Employers in other centres and industries will no doubt welcome the introduction of a similar arrangement and it would be available as a basis for building up central labour bureaus. We cannot ignore the menace of industrial unemployment which is increasing in magnitude in several occupations although it does not confront us as a very serious problem at the moment. To deal with it if and when it arises Government will prepare itself by enlarging the existing provision for training of workers for the pursuit of alternative occupations. The Government of Bombay is convinced that the system of unemployment relief by doles will not avail us in the circumstances of this country. But Government should make itself responsible for providing maintenance through work during periods of forced idleness. Pre-employment training for new entrants is an essential need of industry which has been badly neglected so far. Adequate provision for this will have to be made now. The establishment of labour bureaus will greatly facilitate progress in this direction.

12. Government is also entertaining the hope that at no distant date, there will not remain a single illiterate person in normal employment in industry in this Province. It is being considered how far it would be practicable to make entry and promotion in industry conditional on the passing of a literacy test. Government will strive to make adequate provision of educational facilities in all grades, for the children of workers and vigorous promotion of adult education will be a part of its welfare programme.

13. The provision of healthy houses for the workers transcends in importance all other plans for improving their standard of life. This problem has been engaging the attention of the Central Government. The Government of Bombay is prepared to do everything in its power to improve housing conditions in co-operation with all those who have an interest in or responsibility for this matter. This question including the Central Government's schemes in this behalf will be taken up for immediate consideration.

14. Government's programme of prohibition which was interrupted owing to unfortunate circumstances is vital to the well-being of the community and has a special bearing on the condition of the working class which may legitimately look forward to an early resumption of Government action for enforcing a satisfactory scheme of prohibition.

15. All-round social security has been accepted as an immediate post-war goal by practically every civilised country. The Bombay Congress Ministry was the first Government in our country to take the initiative in this direction with its programme of introducing a scheme of leave with pay for periods of sickness, as a first step towards a comprehensive arrangement for social insurance. This shared the fate of many other projects of the Congress Ministry which were dropped as soon as popular Government resigned. The Government of India is at present engaged in evolving a scheme of sickness insurance on a contributory basis. On its part the Government of Bombay is keenly interested in promoting every scheme for the protection of the working class against such social hazards as sickness, old-age, unemployment, etc., which may receive legislative shape at the Centre.

16. The Congress Ministry had also set up an Industrial Health Advisory Board for improving the workers' health. This Committee completed its preliminary work in connection with a scheme for periodical medical examination of industrial workers and their dependents. This work remained at a standstill for the last six years and is now to be taken up again. The need for an extensive development of preventive methods and curative facilities for the benefit of the workers is obvious and of this a striking demonstration is likely to be furnished by the proposed mass medical examinations. It is being widely felt that deficient nutrition has already affected adversely the health and efficiency of the industrial workers. Government will have to look into this matter and take remedial steps in the interests of the stability and progress of industry.

17. The Congress Ministry set up a Labour Welfare Department in the year 1937. The welfare activities of this department have proved helpful. It is felt, however, that it would be necessary to develop in various directions the content of welfare work undertaken by the department and to make it a more efficient instrument for raising the level of the workers' life. In this connection particular mention should be made of the Prime Minister Mr. Kher's ambition when he held the Labour portfolio also in the previous Congress Ministry, to give to the workers recreation parks for providing some relief from the oppressive housing conditions, which is their lot in our big cities. Efforts will now be made to give this idea a concrete shape as early as possible.

18. Government's direct efforts for the cultural uplift of the working class cannot but be limited in scope and extent. The duty of bringing light and cheer into the lives of the workers will have to be discharged on an extensive scale and in fuller measure by the workers' own organisations and by the employers and local bodies, directly or through suitable agencies. Government would wish to make it clear in this context that genuine progress is essentially a matter of internal effort sustained by the people's qualities of character, and capacity for struggle and sacrifice. Any form of State intervention or processes imposed by legislation can only be an aid but not a substitute for self-help.

19. In a line with this approach of Government is its desire to promote in various forms the application of the principle of co-operation in solving the workers' difficulties and improving their position in different directions.

20. In every step that the Government takes in this field there can be no other aim than the progressive betterment of the living and working conditions of the wage earners. To secure the well-being of labour as well as of the community, Government must pursue the parallel objective of maintaining the continuity of production and bringing about its steady expansion. The Government of Bombay is, therefore, anxious to let nothing come in the way of large-scale mutual goodwill and uninterrupted industrial peace based on social justice.

21. The tasks we have set before ourselves are not easy but they are of urgent and high national importance. This should suffice to enthuse and inspire us all to a pitch of effort and resolve which must set at naught all difficulties in the way.

## LABOUR MATTERS.

### REFERENCE TO INDUSTRIAL COURT.

Immediately after the general elections which were held on 11th March 1946, His Excellency the Governor of Bombay invited the Leader of the Congress Party, Mr. B. G. Kher, to form a ministry. This invitation was accepted, and the new ministry were sworn in on 3rd April 1946.

On 25th April 1946, Government issued a Press Note reading as under :—

“Immediately on assumption of office, the Hon'ble Minister for Labour took up with the Millowners' Association, Bombay, among other matters affecting the interests and welfare of labour, the question of standardisation of wages in the cotton mills in Bombay regarding which the Textile Labour Inquiry Committee had made several recommendations.

“On April 5, 1946, the Rashtriya Girni Kamgar Sangh (now Rashtriya Mill Mazdoor Sangh), Bombay, sent a representation to the Commissioner of Labour, Bombay, communicating the workers' demands regarding the revision and standardisation of wage rates in the cotton textile mills in Bombay, payment of adequate dearness allowance and of unconditional and adequate bonus and change in standing order No. 7 consequent upon the demand for the standardisation of wages. The representation also stated that the Board of the Sangh had passed a resolution deciding to give a notice under the Bombay Industrial Disputes Act and also a strike notice of 14 days but refrained from giving such a notice to enable the Government to bring about an early settlement of the matter. Later the Sangh also addressed a letter to the Millowners' Association, Bombay, pressing for the demands.

“The Government of Bombay has carefully considered the position and has come to the conclusion that the ordinary procedure of negotiation and conciliation is not likely to lead to a speedy and peaceful settlement of the dispute. The Government has accordingly decided, in the interests of both labour and the industry itself, and of the community, to refer the demands regarding the revision and standardisation of wage rates, adequate dearness allowance and change in standing order No. 7 of the Standing Orders for Operatives settled by the Industrial Court for the cotton textile mills in Bombay to the arbitration of the Industrial Court under section 49-A of the Bombay Industrial Disputes Act, 1938.

The Press Note was followed by a Government notification on the same day directing the Industrial Court to dispose of the claims made on behalf of labour and referred to in the Press Note. The Committee felt that the matter was not one which could be referred to the arbitration of the Industrial Court under section 49A, as in their opinion, there was no real dispute as defined in the Bombay Industrial Disputes Act. Legal opinion was, therefore, taken, and the validity of the Government's order was contested before the Industrial Court when the case came up for hearing on 15th June 1946. The

Association was represented at the hearing by Counsel Sir Jamshed Kanga. Mr. C. K. Daftary, Advocate-General, appeared for the Government of Bombay. The Association's contentions were set aside, and the parties to the dispute were asked to file in their written statements on the dispute within a month. In the meantime other developments had taken place; notices of change sponsored by two unions were served on almost all mills in Bombay by their operatives. These notices asked for standardisation with an increase in basic wages; increase in dearness allowance; payment of adequate bonus, etc., etc. Conciliation followed under the B.I.D. Act, but no agreements or settlements were reached. At this stage Government came on the scene and by a fresh notification, issued in partial supersession of the notification they had issued towards the end of April 1946, referred all the disputes under section 49A of the Industrial Disputes Act to the arbitration of the Industrial Court. The first hearing after the issue of the revised notification took place on 2nd October 1946, before the full bench of the Industrial Court. The Association was represented by Counsel and a Special Sub-Committee, whereas elected representatives of the labour were represented by Messrs. Shantilal H. Shah and K. T. Sule. After completing the preliminary formalities, the Court announced its intention to appoint two assessors to assist it in preparing a standardisation scheme, and requested the parties to nominate one representative to serve thereon. No further proceedings took place on the first day; but on the following day, it transpired that various sections of the labour could not agree among themselves about the nomination of an assessor with the result that the Court announced that it had decided to appoint Mr. Khandubhai K. Desai, M.L.A., and Mr. P. V. Gillespie, M.L.A., to constitute themselves as Court's Assessors. The Assessors were asked to frame a scheme of standardisation of wages inclusive of increase in basic wages, if any, after hearing the parties in the dispute, and to forward the scheme to the Court on 6th December 1946. This date was subsequently extended to the beginning of January 1947. The Court further ordered that any aggrieved party was at liberty to file objection, if any, to the scheme of the Assessors within a fortnight of its presentation. The assessors were authorised to collect such documentary evidence as they require for the purpose of the scheme.

The conduct of the Association's case before the Assessors was entrusted by the Association to a Special Sub-Committee, assisted by the Association's counsel and solicitors. The Association's written statement in reply to labour's demand for an increase in basic wages, etc., was presented to the assessors on 8th November 1946, and the hearing before the Assessors commenced on 12th November 1946. Proceedings before the Assessors went on till about the beginning of January 1947, and in the meantime, apart from presenting the Association's case, a mass of statistical and other data required by the Assessors were also prepared and handed over. The Assessors' report was published on 11th January 1947. Briefly stated, the Assessors recommended an average increase of 30 per cent. in basic wages, which imposed a burden on the industry which it was unable to bear. The Association's written statement criticising the Assessors' recommendations was prepared in consultation with Counsel, and submitted to the Court on 18th February 1947.



*Bonus award.*—Early in March 1947, the Industrial Court summoned the parties for further hearing of the demands relating to standardisation of wages and bonus. The bonus issue was taken first, and after a hearing, which lasted for six days, the Court awarded bonus equivalent to one-fifth of the basic wages earned by the workers in the year 1946. For purposes of record, the orders of the Court on bonus issue are reproduced below :—

“ Subject to the following provisions all employees whether permanent or *badlis* who have worked in the mills concerned in these references shall be given a bonus equal to one-fifth of their earnings in 1946.

- (1) Employees who have worked for less than 75 working days and more than 32 working days shall be granted a bonus to the extent of 50 per cent. and employees who have worked for 32 days or less shall not be paid any bonus.
- (2) Any employee who has been dismissed for misconduct in 1946, shall not be entitled to any bonus even if he has worked for more than 32 days.
- (3) Bonus shall be calculated on earnings (exclusive of dearness allowance and bonuses paid during the period) from 1st January to 31st December 1946.
- (4) In the case of women who have been on maternity leave during the period referred to, the actual maternity allowance drawn by them shall be included in their earnings for the purpose of calculating the bonus payable.
- (5) Bonus as above stated shall be paid to the employees in one lump sum on 12th April 1947.
- (6) Persons who are eligible for bonus but who are not in service of the mill on the date of the payment shall be paid in one lump sum on 20th May 1947 provided claims in writing are submitted to the Manager of the mill concerned before 10th May, 1947, after which no application for bonus shall be entertained.
- (7) Persons who have already received bonus in 1947 pursuant to the offer of the Millowners' Association, shall be paid only the balance due to them under this award.

Reasons for this decision will be published later. ”

The Court will proceed to hear the parties on the other issues from 14th April 1947. (*Appendix 8.*)

#### THE INDUSTRIAL CONDITIONS ENQUIRY COMMITTEE.

Early in November, the Government of Bombay appointed a Committee under the chairmanship of Mr. T. E. Waterfield. The Government resolution on this subject reads as under :—

“Numerous complaints have been received by Government from employers in Bombay referring to the increasingly aggressive frame of mind of industrial workers. It is pointed out that indiscipline has become rife to such an extent that orderly work has become impossible and efficiency is being seriously affected. Several cases of assaults on the supervisory staff have been mentioned. It is also stated that intimidation is being practised on a large scale in connection with the strikes that are occurring frequently in Bombay. Millowners in Bombay have invited attention to the fact that the textile mills are facing excessive absenteeism and experiencing a serious shortage of labour.

On the other hand, representations have been received from the side of the workers in which it is alleged that the strikes are occasioned by the obstinate resistance of the employers to the most reasonable demands from labour, their inflexible and unsympathetic attitude in dealing with even minor grievances, victimisation of all those who come forward on behalf

of their fellow workers and the constant hostility of the managements towards the organisations of labour. The workers further allege that increased absenteeism is a consequence of the deterioration in their health owing to insufficient nutrition and the unhealthy living conditions particularly in the matter of housing accommodation.

In the opinion of Government, the situation calls for a thorough enquiry into all the aspects which emerge from these complaints, not only in the interest of the industries (including the employers and workers) concerned but in the larger interest of the general public whom they are expected to serve. Government is accordingly pleased to appoint a Committee called the Industrial Conditions Enquiry Committee consisting of the following members to investigate the labour conditions obtaining in important industrial establishments in Bombay City, the Bombay Suburban District and the East and West Khandesh District :—

- (1) T. E. Waterfield, Esq., I.C.S., District and Sessions Judge, Chairman.
- (2) M. G. Monani, Esq., I.C.S., Deputy Secretary to Government, Political and Services Department.
- (3) D. G. Kale, Esq., Assistant Commissioner of Labour, Ahmedabad, member and Secretary.

The Committee may associate with itself as assessors representatives of employers and of workers in equal number.

2. The terms of reference to the Committee are—

to examine :

- (i) whether production in industries generally and in the cotton textile industry in particular has suffered recently as compared with the peak war-year and with the pre-war period ? If so, to what extent ?
- (ii) what are the factors responsible for the fall in production ?
- (iii) whether absenteeism, indiscipline, and violent behaviour on the part of the employees have increased and now prevail to an unusual extent ?
- (v) to what extent are economic privations, lack of facilities and unfair treatment responsible for the recent manifestations of labour unrest ? What other factors, if any, contribute to this unrest ? and

3. The Committee should report its findings and make recommendations in respect of the matters mentioned above.

4. The Committee should be requested to submit its report to Government as soon as possible and submit an interim report if, in the opinion of the Committee, the existing conditions call for immediate action in any direction."

A questionnaire issued by the Enquiry Committee has been answered by the mills in Bombay. Members of the Enquiry Committee also visited a number of mills, but their report has not yet been issued.

## COMPENSATION FOR INVOLUNTARY UNEMPLOYMENT ARISING FROM SHORTAGE OF COAL, ETC.

### DEFINITION OF THE TERM "ORDINARY RATE OF PAY."

(See also pages 30 and 79 of Report for 1944.)

The attention of the Committee was drawn to the following statement made in the February 1946 issue of the *Indian Labour Gazette* :

"Recently a doubt arose regarding the correct interpretation of the term 'ordinary rate of pay' for the purpose of calculation of overtime pay under section 47 of the Factories Act, 1934. The question raised was whether 'war' or 'dearness' allowance is to be included as 'wages' for the purposes of this section. The Factories Act does not contain any definition of

wages' or 'ordinary rate of pay'. In the opinion of the Government of India, dearness allowance or war allowance should be treated as part of the 'ordinary rate of pay' for the purpose of calculating overtime pay under section 47 of the Factories Act."

Section 47 of the Factories Act, 1934, provides that where a worker in any factory works for more than certain number of hours in any week, he shall be entitled to extra pay at the rate of so many times his "ordinary rate of pay." The expression "ordinary rate of pay" has nowhere been defined in the Act itself, and so far as the Association is aware, mills in Bombay and elsewhere are allowing overtime on basic rates, i.e., exclusive of dearness allowances. The Committee were surprised that an important ruling of the nature referred to should have been given by Government without consulting the interests concerned, and they, therefore, wrote to Government about the middle of May, pointing out that Government had apparently failed to take into consideration current practice in Bombay and other centres where dearness allowance was linked up with the cost of living and the workers' attendance in the factory. The Committee also pointed out that the reasonableness of this basis of dearness allowance had already been conceded and applied to other establishments in Bombay and elsewhere by the Industrial Court and adjudicators appointed by Government. The dearness allowance is, according to current practice, worked out at so much per working day, the actual daily rate fluctuating according to the Bombay Working Class Cost of Living Index. In other words, provided a worker was present at the factory, the quantum of dearness allowance for the day was the same irrespective of whether he was on a 7½, 8, 9, or 10-hour shift. If, as suggested in the statement issued by Government, dearness allowance was to be included in calculating overtime, then it followed that overtime work increased workers' cost of living, a theory to which, the Committee stated, they were unable to subscribe.

The next point to which the attention of Government was drawn in this connection related to the compensation for involuntary unemployment arising from shortage of coal, etc. Though employers were not bound under any law to compensate workers for involuntary unemployment arising from shortage of coal, etc., representatives of employers present at the Tripartite Conference held in September 1943 gave their approval, as a gesture of goodwill to labour, to the principle underlying the scheme for payment of compensation. The Committee pointed out that it was never the intention of the representatives that the remuneration for the period played off would include dearness allowance, and reminded Government that the unofficial scheme clearly stated that the compensation might be given at so much percentage of the "ordinary rate of pay." This expression was free from all ambiguity and could not, by any stretch of imagination, be deemed to include dearness allowance and other allowances; yet, the Commissioner of Labour, Bombay, in a communication addressed to the Association on 31st October 1945, stated that the term "ordinary rate of pay" included "dearness allowance" for the purpose of the benefits under the scheme of compensation for involuntary unemployment. The Committee had immediately protested against this interpretation and regretted their inability to accept it. If the Committee were to concede that dearness allowance would become payable even if workers were not at work, then that would cut across

the entire basis of the dearness allowance, which the Association had introduced, a position which the Committee pointed out; they were unable to accept.

The Committee also drew the attention of Government to the fact that in an award recently issued by Mr. K. B. Wassodew in an adjudication between the Pratap Spinning, Weaving and Manufacturing Co., Ltd., and their employees, the basis of compensation for involuntary unemployment was calculated "on average earning" including dearness allowance of the employees concerned. Although the Committee were aware that the adjudicator's decisions had neither the standing nor the authority, which is usually attached to decisions of Indian High Courts of Judicature, they could not rule out the possibility of one adjudicator, whatever his conviction in this matter, following the example of his predecessor in such matters. The scheme of compensation for involuntary unemployment still remained on paper, and was being observed by employers in spite of the fact that it had not been given the force of law. In the circumstances, the Committee stated that they were unable to understand why Government should have given expression to their own interpretation of the term "ordinary rate of pay" without giving an opportunity to the employers to set forth their case, and they, therefore, suggested that Government might issue a general direction indicating that for the purposes of compensation, the expression "ordinary rate of pay" did not include dearness and other similar allowances.

No reply to this communication has been received so far.

(Appendix 9.)

#### "BONUS" TO BOMBAY COTTON AND WOOLLEN MILL WORKERS.

The question of granting a "bonus" to the cotton and woollen mill workers in the city and island of Bombay for the year 1946 was considered at an urgent general meeting of the members of the Association held on 20th November 1946 when the following recommendations made by the Committee were accepted :

1. (a) That a bonus equivalent to one-sixth of their total earnings in the period 1st January 1946 to 31st December 1946 inclusive, be granted once again, as a special case, to all cotton and woollen mill workers who are on the musters of permanent and *badli* workers in member mills in Bombay City and Island on 31st December 1946, and who continue, without a break, to be on such musters till the dates of payment, with the exception of those *badlis* who have worked for less than an aggregate period of 75 days in the said period :

Provided, however, that permanent workers whose services were retrenched as a result of an agreement following a notice of change under the Bombay Industrial Disputes Act or in pursuance of the provisions of Standing Order No. 9 of the Standing Orders for Operatives in cotton and woollen textile mills in Bombay, or for reasons beyond the

- control of the management, or discharged by the management under Standing Order No. 19A, be considered eligible for bonus if they had put in not less than 75 days' work in the mills in the period 1st January to 31st December 1946.
- (b) That bonus be calculated on earnings exclusive of dearness allowance and bonuses paid in the period 1st January to 31st December 1946 ;
- (c) That, in the case of women who have been on maternity leave in the period referred to, the actual maternity allowance drawn by them be included in their wages for the purpose of calculating the bonus payable.
2. That bonus as laid down in the preceding clauses be calculated and paid to the workers in two equal instalments; the first on Saturday the 11th January 1947 and the second on Saturday the 22nd March 1947.\*

#### DEARNESS ALLOWANCE TO BOMBAY COTTON MILL WORKERS.

The Bombay Working-Class Cost of Living Index Number for the purpose of calculating dearness allowance during the twelve months ending the 31st December 1946 and the appropriate dearness allowance applicable in each case were as under :—

Month.	Bombay working Class Cost of Living Index Number.	Dearness Allow- ance for a month of 26 working days.	
		Rs.	a.
January 1946	242	32	7
February	242	32	7
March	243	32	11
April	247	33	10
May	248	33	14
June	249	34	2
July	259	36	8
August	268	38	10
September	267	38	6
October	270	39	2
November	264	37	11
December	272	39	9

#### HOURS OF WORK AND HOLIDAYS FOR WATCH AND WARD STAFF.

Early in September the question of hours of work and holidays for the watch and ward staff in mills was reviewed by the Committee, and the following recommendations were issued to members.

\* Vide Appendix 8, page 27 for the Award of the Industrial Court on "Bonus."

*Hours of Work.*—It was recommended that the hours of work of the watch and ward staff be reduced to three shifts of 9 hours each, exclusive of recess of half an hour. Absolute discretion was given to individual mills in the matter of fixing the starting and closing time of each shift, but it was felt that provision should be made for a certain amount of overlapping to ensure that, when the operatives came in and went out of the mill premises at the starting and closing time, a stronger force of watch and ward staff might be available to supervise the arrangements. The following shift arrangements were set forth as a guide only :—

Shift 'A'—6-30 a.m. to 16-00 p.m.

Shift 'B'—15-15 p.m. to 0-45 a.m.

Shift 'C'—22-30 p.m. to 8-00 a.m.

According to the above arrangement, mills would have the combined strength of shifts "A" and "C" when the operatives came in for work at 7-00 a.m., and the combined strength of shifts "A" and "B" when the first shift cleared out.

As regards the recess hours, though the question hardly arose because the watch and ward staff were not doing any manual work, the Committee recommended that they might be given at least half an hour each shift. The system as indicated included half an hour for recess. The recess hour should be adjusted according to the requirements of each mill. Such an adjustment was necessary to ensure that there was no depletion of strength in the watch and ward staff when workers went out of the mill premises during the mill recess hours.

Individual mills would, however, have full discretion in deciding on the additional complement of watch and ward staff required to work the third shift and the actual timings of the three-shift working.

*Weekly holidays.*—As the watch and ward staff do not come under the definition of "worker" in the Factories Act, there is no statutory provision for giving either weekly or annual holidays. Members were, however, recommended to grant two holidays in a month to the watch and ward staff. This could be done by dividing each shift into two sections and each section taking two holidays in a month, by turns.

*Annual holidays.*—Although the watch and ward staff would not come within the scheme of annual holidays with pay under the Factories Act, members were recommended to give them at least 10 days' leave with pay for 12 months' continuous service. These holidays might be given with effect from 1st January 1947 onwards.

The above recommendations were, however, subject to custom and usage in each individual mill. If, for instance, a mill was already granting more than 10 days holidays with pay, to their watch and ward staff, they should continue to do so.

### EIGHTH MEETING OF THE STANDING LABOUR COMMITTEE.

The eighth meeting of the Standing Labour Committee took place at New Delhi on 15th and 16th March 1946. The following subjects were discussed at the meeting :—

1. Amendment of the Trade Disputes Act.
2. Review of employment in industry and the extent to which unemployment is likely to occur.
3. Report of the Housing Sub-Committee.
4. Labour Welfare Trust Fund for Industrial Employees.
5. Central Legislation for Unregulated Factories.
6. Coal Mines Charter.

The following gentlemen represented the Employers :—

*Employers' Federation of India.*

1. Mr. Bhagwandas C. Mehta (Bombay).
2. The Hon'ble Mr. H. D. Townend (Calcutta).
3. Mr. T. S. Swaminathan (Bombay) (*Adviser*).

*All-India Organisation of Industrial Employers.*

1. Mr. Shantilal Mangaldas (Ahmedabad).
2. Lala Kirpa Narain.
3. Mr. D. G. Mulherkar (New Delhi).
4. Mr. D. May Arrindell (Cawnpore) (*Adviser*).

### NINTH MEETING OF THE STANDING LABOUR COMMITTEE.

The ninth meeting of the Standing Labour Committee was held at New Delhi on 25th and 26th July 1946; when the following subjects were discussed :—

1. Proposals for the revision of the Factories Act.
2. Regulation of conditions of employment in commercial establishments.
3. Report of the Sub-Committee on Industrial Housing.
4. Revision of the Mines Act—Reduction of hours of work.
5. Amendments of the Constitution of the I.L.O.
6. I. L. O. Questionnaire regarding employment of young workers.
7. I. L. O. Questionnaire regarding standards of social policy in dependent countries.

The following gentlemen represented the Employers :

*Employers' Federation of India.*

1. Mr. A. P. Benthall (Calcutta).
2. Mr. T. S. Swaminathan (Bombay) (*Adviser*).
3. Mr. R. G. Gokhale (Bombay) (*Adviser*).

*All-India Organisation of Industrial Employers.*

1. Mr. Shantilal Mangaldas (Ahmedabad).
2. Sir Shri Ram (New Delhi).
3. Mr. D. G. Mulherkar (New Delhi) (*Adviser*).

## INTERNATIONAL LABOUR CONFERENCE, 1946.

The 29th Session of the International Labour Conference was held at Montreal, Canada, on the 19th of September, 1946 to discuss the following subjects :—

1. Subjects relating to Constitutional Questions.
2. Protection of children of young workers, which will include :
  - (a) Medical Examination for fitness for employment (young workers).
  - (b) Restriction of night work of children and young persons (non-industrial occupations).
3. Minimum standards of social policy in dependent territories (provisions suitable for a Convention).
4. Reports on the Application of Conventions (Article 22 of the Constitution).

The Employers' Delegation to the Conference consisted of Mr. David S. Erulkar (*delegate*) ; and Mr. H. K. Srivatsava ; Mr. V. B. Shukla ; Mr. N. W. Gurjar ; and Mr. Y. S. Pandit (*Advisers*).

## LABOUR INSPECTION IN INDUSTRIAL AND COMMERCIAL UNDERTAKINGS.

At the beginning of October 1946, the Committee were informed that the International Labour Office proposed to consider, at the 30th Session of the International Labour Conference to be held at Geneva in June 1947, the question of adoption of international regulations on the "Organisation of Labour Inspection in Industrial and Commercial undertakings." A questionnaire which was issued by the International Labour Office was answered by the Committee.

## EMPLOYMENT EXCHANGES.

The question of attitude of employment exchanges during strikes and lockouts, was discussed at some length at the Seventh Labour Conference held at Delhi in November 1945. Government were anxious that these exchanges, which were recently set up, should avoid all activities which were likely to cause mistrust or dissatisfaction among employers and employment seekers, or in other words, the exchange administration should adopt a neutral attitude whenever there was an industrial dispute. In this connection



the procedure followed in countries such as the U.S.A., U.K., Germany, Greece and China was considered at the conference, and after considerable discussion, both the employers' and workers' groups expressed their willingness to accept the Greek model under which the employment exchanges would not give their services to employment seekers, who were on strike after refusing to submit the dispute to a Conciliation Committee, or who had not accepted the settlement proposed by the Conciliation Committee; nor would the exchanges give their services to employers, who were guilty of a fault of a similar nature.

This subject was brought up again by the Government of India at the eighth meeting of the Standing Labour Committee held at Delhi in March 1946. Government found, after examination, that the Greek model was not a suitable one for India as there were considerable practical difficulties in the way of its adoption in this country, particularly, as there was no specific legislation as there evidently was in Greece, requiring compulsory notification of trade disputes and their compulsory submission to arbitration. The main drawback in the Greek system was that it placed upon the Exchanges the responsibility of determining the cases in which assistance might be given. The Government of India, therefore, suggested the adoption of any one of the following three courses in cases of industrial disputes:—

- (i) To refuse to accept vacancies or to register workpeople.
- (ii) To accept vacancies and to inform suitable applicants of the existence of the trade dispute before submission: to register workmen and to submit them for other employment, informing the prospective employers that they are unemployed as the result of an existing trade dispute; and
- (iii) To accept vacancies and to submit workmen for employment without reservation.

The Government of India urged the acceptance of suggestion no. (ii) mentioned above, as it would keep exchanges out of disputes. The workers' representatives were in favour of course no. (i), while employers' representatives did not desire to resile from their original view without consulting constituent member bodies.

The Committee held the view that exchanges should adopt a strictly neutral attitude during industrial disputes but that, in view of the fact that the employment exchanges had not sufficiently developed in this country, it was suggested that the second of the three courses recommended by Government might be adopted. (*Appendix 10.*)

## THE TAXATION ON INCOME (INVESTIGATION COMMISSION) BILL, 1947.

Towards the end of February 1947, the Hon'ble Mr. Liaquat Ali Khan, Member for Finance, introduced in the Central Legislative Assembly, a Bill to provide for an investigation into matters relating to taxation on

income. The statement of objects and reasons of the Bill reads as follows :

" It is notorious that recently businesses and properties have changed hands for very large sums of money. Government are anxious to know how in spite of very high rates of taxation—income-tax, super-tax and excess profits-tax—the large fortunes which these transactions imply have been accumulated. The Bill, therefore, proposes to appoint and empower a special commission to investigate both the actual incidence of taxation with particular reference to individual cases and the extent to which the existing law is adequate to prevent evasion."

The main provisions of the Bill are explained below :

*Clause 3* : Deals with the functions of the Commission, which are to investigate and report on (i) the effectiveness or otherwise of the existing income-tax law to prevent tax evasion, and (ii) the present and past financial affairs of any person, specified by the Central Government, including his agent or nominee or any person connected with him directly or indirectly in any other capacity, in order to determine whether or not he has paid the full amount properly due from him by way of taxation on income.

*Clause 4* : Relates to the composition of the Commission which is to consist of a Chairman (being a person who is, or has been, or possesses the qualifications for appointment as a Judge of a High Court) and two other Commissioners appointed by the Central Government.

*Clause 5* : This clause confers upon the Commission the powers of a civil court to compel production of evidence, both oral and documentary, etc.

*Clause 6* : Empowers the Commission to appoint expert accountants or assessment officers to assist the Commission in its task. Such persons are vested with like powers to compel the production of evidence before them.

*Clause 7* : Gives the Commission general power to regulate its own procedure. In any proceedings before the Commission or its investigating officers, the ordinary law of evidences is relaxed in that neither the Commission nor any person authorised by it is bound by the provisions of the Indian Evidence Act, 1872, and no document becomes inadmissible in evidence on the ground that it is not duly stamped or registered. This clause also takes away the right of a person not to answer questions, which may tend directly or indirectly to incriminate him or expose him to liability for damages or penalty or forfeiture, but a provision was made for the grant of certificate of indemnity protecting such person from liability in civil or criminal courts in respect of statements made by him in proceedings under this Bill.

*Clause 8* : Confers power on Government to order re-assessment proceedings notwithstanding anything to the contrary in Section 34 of the Indian Income-tax Act, or Section 15 of the Excess Profits-tax Act, or any other law or lapse of time, if the report of the Commission indicates that there has been evasion of the tax,

The Committee agreed with the object underlying the Bill, but were opposed to the constitution and composition of the proposed Commission, the powers conferred upon it and the procedure, which it was proposed to follow, as being contrary to well-accepted principles of jurisprudence and fundamental notions of natural justice.

The Committee observed that an investigation into "the present and past financial affairs" of a person was a drastic proceeding, and that such an investigation should not, therefore, be commenced till a responsible person had formed an opinion that it was necessary, and that even then, it was felt, it should be restricted both in point of time and scope in the manner indicated by such responsible person. In the absence of such safeguards, the Committee submitted, it was quite likely that persons might needlessly be exposed to the harassment of an investigation without there being any adequate grounds for the initiation of the investigation.

Having regard to the nature of the powers and duties conferred on the Commission, the Committee were of the opinion that it was essential that its composition should command the complete confidence of the public, and that the persons constituting it should be above suspicion in regard to their integrity and impartiality. The Committee felt that the composition of the Commission mentioned in clause 4 (i) of the Bill did not fulfil these requirements. In this connection, the attention of Government was invited to the composition of the various tribunals created for the trial of criminal offences under the emergency legislation, and it was pointed out that these tribunals, whose composition was not dissimilar with the one proposed for the Commission, did not command the confidence of the public. As the powers proposed to be conferred on the Commission were larger than those entrusted to these tribunals, and were to be summarily exercised and were not subject to appeal or revision, it was suggested that the members of the Commission should have a much higher status and qualifications than those proposed. The Committee, therefore, submitted that the Commission should consist exclusively of a Judge or Judges of the High Court of not less than 10 years' standing.

In respect of clause 6 of the Bill, the Committee observed that it contained a provision most unusual in character in that the clause, as worded, would enable the Commission to delegate all or any of its powers to anyone whom it might choose, and that such a power of delegation was unheard of and was not enjoyed even by the highest tribunals. It was, therefore, suggested that the Commission might be authorised to delegate to others the performance of purely ministerial functions only, as in the case of other tribunals, since it was considered essential that the investigation of so far-reaching and drastic a character should be conducted by the tribunal entrusted with it, and not by any person to whom the authority of the tribunal might be delegated.

The Committee further pointed out that the provisions contained in clause 7 of the Bill were subversive of well-accepted principles of natural justice in that they empowered the Commission to regulate its own procedure, made the Indian Evidence Act and certain provisions of the Stamp and

Registration Acts inapplicable to proceedings before the Commission, and finally took away the right of a person not to answer questions which might tend directly or indirectly to incriminate him or expose him to liability for damages or penalty or forfeiture. It was, therefore, submitted that the provisions in regard to the procedure of the Commission should be wholly recast regard being had to the principles of natural justice. It was further urged that a provision should be made by which a person whose past financial affairs were under investigation should be conceded his right to be represented at the enquiry by a lawyer of his choice.

Finally, the Committee suggested that the findings of the Commission should be open to revision or appeal before a superior tribunal, since it would be contrary to the elementary principles of justice that a citizen should be deprived in normal times of the right of revision or appeal to a higher tribunal in a matter vitally affecting his property and his reputation, and also in view of the fact that the effect of an adverse finding of the Commission would have the consequence of enabling Government to direct the taxing authorities to reopen assessment proceedings of the citizen concerned for an unlimited number of years.

This Bill was subsequently referred by Government to a Select Committee, who are reported to have made certain recommendations, which were mostly in agreement with the suggestions made by the Committee of the Association. The Bill was passed by the Legislative Assembly by about the middle of April. (*Appendix 11.*)

## INCOME-TAX ASSESSMENT.

### DONATIONS TO TECHNOLOGICAL AND OTHER INSTITUTIONS FOR RESEARCH.

(*See also pages 28 and 72 of Report for 1945.*)

Reference was made on page 28 of the Association's report for 1945 to a representation submitted by the Association to the Government of India in connection with donations made to the Department of Chemical Technology by individual members, in response to the Chairman's appeal. The representation, among other things, suggested that legislation might be undertaken on the lines adopted in U.K. to permit expenses incurred on scientific research, being treated as business expense for purpose of taxation.

No written reply was received, but Government conceded the demand in the Income-Tax Amendment Act, 1946, which granted the concession asked for. The Finance Act, 1946, however, restricted it only to expenses incurred in the previous year for the assessment, for the year ending 31st March 1946. In other words, contributions made on a date before the commencement of the year 1944-45 did not come within the scope of the concession. As there were several mills whose contributions were not covered by the proposed concession, representations were again made to Government to extend the scope of the concession so as to cover their cases also. This request was granted subsequently. (*Appendix 12.*)

## INCOME-TAX ASSESSMENT.

### ADMISSIBILITY OF EXPENSES INCURRED IN CONNECTION WITH THE REGISTRATION OF TRADE MARKS AS BUSINESS EXPENSE.

(See also page 20 of Report for 1944.)

Reference was made on page 20 of the Association's report for 1944, to the test case instituted by a member of the Association regarding the admissibility of expenses incurred in connection with the registration of trade marks under the Trade Marks Act, 1940, as business expense, and to the Income-Tax Appellate Tribunal's decision which was favourable to the Association. Copies of the judgment, which was delivered on the 23rd January 1945, were also circulated to all members of the Association.

The Commissioner of Income-Tax, Bombay, filed an appeal with the High Court against the Tribunal's decision, but the High Court confirmed the Board's decision. The position, therefore, is that expenditure incurred by mills in connection with the registration of existing trade marks is to be treated as revenue expenditure for purposes of income-tax. (*Appendix 13.*)

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## ALLOWANCES IN ASSESSING BUSINESS INCOME.

### LEGAL EXPENSES IN CONNECTION WITH SALES TAX PROCEEDINGS.

The Central Board of Revenue issued on 8th March 1946 the following circular on the above subject :—

“ The liability of a person to Provincial Sales Tax arises from his carrying on business as a seller of goods and this liability has to be met irrespective of whether profits are earned or not. It is, therefore, a liability which arises in the course of business and any expenditure incurred in protecting the business from excessive demands in respect of such liability is an expenditure wholly and exclusively laid out for the purpose of the business. Such expenditure is not in the nature of capital expenditure or personal expenses. Therefore, the expenses incurred in original proceedings for assessment to Sales Tax as also in appeals arising from such proceedings should be allowed as a deduction in Income-tax assessments. The expenses incurred by a person in defending himself in any proceedings for breaches of any law relating to Sales Tax should not of course be allowed as it is not an incident of business to commit breaches of law.”

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## INCOME-TAX ASSESSMENT.

### EXPENSES INCURRED ON LABOUR WELFARE.

The following circular issued by the Central Board of Revenue on the 26th March 1946, is reproduced for the information of members :—

“ It is desirable to offer some inducement to employers of labour to continue expenditure on labour welfare work without interruption during years of low profits or even losses. The Board have, therefore, decided that any expenditure on labour welfare work, not of a capital nature, actually incurred during the previous year should be allowed in entirety as deduction in income-tax assessments, irrespective of the actual amount of profits for that year available for meeting the expenditure. In those years in which there are small profits or losses and the expenditure is wholly or in part met from reserves previously set apart and not allowed as a deduction, it should be allowed in full against the income of the year in which it is actually incurred and the resultant loss, if any, should be carried forward in accordance with the provisions of section 24 of the Income-tax Act.”

## APPELLATE TRIBUNAL—RULES OF PROCEDURE.

Prior to the amendment of the Income-tax Act, which brought into existence the Appellate Tribunal, it was the Commissioner of Income-tax, who was required to draw up a statement of case for reference to the High Court, and the practice was that the Commissioner drafted out a statement, which was sent to the assessee for suggestions and/or amendments, if any, before it was finally submitted to the High Court. In other words, the assessee had an opportunity of examining in draft the statement proposed to be submitted to the High Court by the Commissioner of Income-tax, and what was more important, the High Court had before it an agreed statement. The power, which was formerly vested in Income-tax Commissioners, now rests with the Appellate Tribunal, and the High Court was reported to have prescribed by rules the procedure to be followed by the Tribunal in referring questions for the decision of the High Court. The point, however, was that the specific facilities enjoyed by the assessee in the old days when Commissioners of Income-tax were drawing up statements for submission to the High Court, were not available in Bombay. A representation was therefore addressed to the Registrar, Income-tax Appellate Tribunal, in which he was requested to look into this matter, bearing in mind the desirability of sending an agreed statement of case to the High Court.

In his reply, the Registrar stated that the aim of the Tribunal was to submit an agreed statement of the case to the High Court. He pointed out that after a statement of the case was drafted, it was not possible to send copies thereof to the parties for their comments. Recently, the Bombay Benches had adopted the practice of notifying to the parties at the time of the hearing of a reference application that a draft statement, if any, would be placed for the perusal of the parties on such and such a date. On that date, the parties could peruse the draft statement of the case and offer such comments, as they might like, to the Bench which heard the reference application. This practice, it was stated, was being brought to the notice of the other benches of the Tribunal.

The Registrar also invited the attention of the Committee in this connection, to a draft amendment to the Income Tax Rules, 1922, published at page 1507 of Part I, Section I, of the *Gazette of India* dated the 19th October 1946, which proposed to amend the form of application for reference under section 66.

The final "Appellate Tribunal Rules" were subsequently published by the Government on the 31st October 1946.

## HOLIDAYS WITH PAY FOR WORKERS.

### FACTORIES (AMENDMENT) ACT, 1945.

(See also pages 34 and 78 of Report for 1945.)

Reference was made on page 34 of the Association's report for 1945 to the comments made by the Committee on the Draft Rules published by the Government of Bombay to give effect to the provisions relating to holidays with pay. The final Rules were published in the *Bombay Government Gazette* dated the 11th January 1946.

Certain matters arising out of the operation of provisions relating to "Holidays with Pay," particularly the question of returns and registers which the mills had to keep, were discussed by the Managers' Sub-Committee with the Chief Inspector of Factories towards the end of February, and members were informed of the arrangements approved by him.

The Association was informed towards the middle of February 1946 that in response to a communication addressed by the Employers' Federation of India, the Government of India had informed them that the annual holidays provided under the Act would be due only at the end of the year 1946. In a circular letter addressed by the Government of India to all Provincial Governments some time in June, it was, however, stated that the first annual holidays provided under the Act would become due at the end of the year 1945 itself and that a worker who completed a period of 12 months' continuous service on 31st December 1945 would become entitled to the holidays during the year 1946. As the interpretation now sought to be placed by Government on section 49B(1) of the Factories (Amendment) Act, 1945, was in direct contravention of their original intentions, the Committee drew Government's attention to the practical difficulties which Government's latest interpretation of the Act would give rise to. The Committee urged that, if the Act as passed by the Legislature was at variance with the original intentions of Government, the most logical course for Government was to place the whole position before the Standing Labour Committee, and to introduce suitable amendments to the Act in consultation with them so as to set matters right.

Failing a satisfactory reply from Government the matter was placed before the Association's legal advisers, and an urgent general meeting of members was convened at the end of December, when members' approval was taken to the following poster which had been approved by Association's counsel, and was put up at the mills on 1st January 1947 :—

"Under the Factories (Amendment) Act, 1945, workers are entitled to a certain number of holidays with pay, subject to certain conditions which are reproduced below for information :—

"49B. (1) Every worker who has completed a period of twelve months' continuous service in a factory shall be allowed during the subsequent period of twelve months, holidays for a period of ten or, if a child, fourteen consecutive days, inclusive of the day or days, if any, on which he is entitled to a holiday under sub-section (1) of section 35.

(2) If a worker fails in any one such period of twelve months to take the whole of the holidays allowed to him under sub-section (1), any holidays not taken by him shall be added to the holidays to be allowed to him under sub-section (1) in the succeeding period of twelve months, so however that the total number of days' holidays which may be carried forward to a succeeding period shall not exceed ten, or, in the case of a child, fourteen.

(3) If a worker entitled to holidays under sub-section (1) is discharged by his employer before he has been allowed the holidays, or if, having applied for and having been refused the holidays, he quits his employment before he has been allowed the holidays, the employer shall pay him the amount payable under section 49C in respect of the holidays.

*Explanation.*—A worker shall be deemed to have completed a period of twelve months' continuous service in a factory notwithstanding any interruption in service during those twelve months brought about by sickness, accident or authorised leave not exceeding ninety days in the aggregate for all three, or by a lock out, or by a strike which is not an illegal strike, or by intermittent periods of involuntary unemployment not exceeding thirty days in

the aggregate and authorised leave shall be deemed not to include any weekly holiday allowed under section 35 which occurs at the beginning or end of an interruption brought about by the leave.

"49C. Without prejudice to the conditions governing the day or days, if any, on which the worker is entitled to a holiday under sub-section (1) of section 35, the worker shall for the remaining days of the holidays allowed to him under section 49B, be paid at a rate equivalent to the daily average of his wages as defined in the Payment of Wages Act, 1936 (IV of 1936), for the days on which he actually worked during the preceding three months, exclusive of any earnings in respect of overtime.

"49D. A worker who has been allowed holidays under section 49B shall, before his holidays begin, be paid half the total pay due for the period of holidays."

As a matter of grace and bearing in mind the fact that the workers might have been ignorant of the provisions of the Act, unauthorised absence, which under the Act would normally result in break of service, and negative a worker's claim to holidays with pay, has been condoned up to the end of December 1946, so long as the aggregate of such unauthorised absence does not exceed 24 days in each of the completed years 1945 and 1946. The attention of the workers is drawn to the above provisions of the Act, and they are requested, in their own interest, not to do anything which would disqualify them from claiming the benefit of holidays with pay." (*Appendix 14.*)

## THE FACTORIES (AMENDMENT) ACT, 1946.

### 48-HOUR WEEK.

The attention of the Committee was drawn to a Bill introduced in the Central Legislative Assembly on the 14th February 1946, to amend the Factories Act, 1934, limiting the normal working hours in all perennial factories to 48 per week. The Committee suggested that the Bill be circulated for eliciting public opinion, pointing out that in view of the far-reaching character of the provisions of the Bill it was only fair that those concerned should be afforded reasonable opportunities for expressing their considered views on the measure before the Assembly was asked to pass it.

The Committee's views in regard to the reduction of hours of work in factories were that, in view of the shortage of cloth in the country, this was not the right time to introduce the measure, as reduction in the hours of work would mean a corresponding reduction in the output of cloth. The Committee also felt that :—

- (a) the power to exempt factories from the provisions relating to the reduced hours of work should be vested with the Central Government and not with the Provincial Governments;
- (b) the provisions of the Bill should not come into operation before 31st December 1947 in view of the present cloth supply position; and
- (c) where the Central Government exempted factories from complying with the provisions relating to reduced hours of work, no overtime would become payable.

The Bill was subsequently examined by a Select Committee of the Assembly, and was passed by the Legislature. It received the Governor-General's assent, and came into force on 1st August 1946.



*Adjustment in wages.*—The implications of the reduction in hours of work were considered by the Committee early in July, and on their recommendation, the following resolution was passed at a special general meeting of members of the Association held on 5th July 1946 :—

1. "Bearing in mind the reduction in hours of work, which will come into force on 1st August 1946, the following adjustments shall be made with effect from 1st August 1946, in the basic rates of wages applicable to all piecework occupations in cotton mills situated in the City and Island of Bombay, which are members of the Millowners' Association, Bombay :—

- (a) In cases where the working week is reduced from 54 to 48 hours, the basic piecework rates shall be raised by 12½ per cent.
- (b) In cases where it is desired to reduce the length of the working week from 54 to less than 48 hours per week, the basic piecework rates of the occupations concerned shall be so adjusted, that the basic wages earned (exclusive of interim and dearness allowance) during the shorter week shall be no less than the basic wages, which were normally being earned when the 54-hour week was in force.
- (c) In cases where no reduction in working week takes place, i.e., cases where the length of the working week does not already exceed 48, and where no further reduction in hours is made, the basic piecework rates shall continue to be the same as they are at present.

2. No adjustments be made in basic rates of time-work occupations.

3. Interim increases granted by mills as per the recommendations of the Association following the first report of the Bombay Textile Labour Inquiry Committee will continue to be calculated and paid as at present.

4. No adjustments shall be made in dearness allowance except those necessitated by fluctuations in the Bombay Working Class Cost of Living Index Numbers."

*Restrictions regarding working of additional shifts.*—The Committee examined the position in regard to shift working in mills as a result of the introduction of the 48-hour week. The Committee were aware that in view of the reduction in hours of work, individual mills might have plans for increased shift working to offset the loss of production which might follow from the reduction in hours of work. They were also aware of the shortage of labour, which in certain cases necessitated the stoppage of looms and spindles even in cases where two shifts were in operation. In the circumstances members were asked in the middle of April to refrain from making any changes in working conditions in anticipation of the new legislation.

A special general meeting of members was convened on 18th July 1946, and the following resolutions restricting the working of additional shifts in mills in the City and Island of Bombay were passed :—

"Whereas there is a serious shortage of skilled and unskilled labour in Bombay : and whereas an extension of shift working in any mill in any or all the departments therein followed by an increase in the demand for workmen is calculated to disturb the employment position in mills generally, and adversely affect production, this general meeting of the members of the Millowners' Association agree :—

- (a) That no cotton mill situated within the limits of the City and Island of Bombay and Kurla be permitted to work more shifts than it worked on 16th April 1946, without the previous sanction of the Committee of the Millowners' Association, Bombay, provided that such sanction shall not be unduly withheld if the Committee are satisfied that extension of shift working will not necessitate an increase in the number to be employed in each department.

- (b) That the Committee of the Association be authorised to deal with all applications for extension of shift working, their decision being final and binding on the applicants concerned.
- (c) That the Committee of the Association be also authorised to deal with any matter arising out of or incidental to this agreement, their decision being final and binding on the members concerned."

The position regarding supply of labour continued to be reviewed by the Committee. The communal disturbances in the city which commenced in September made conditions worse for some time, but in the middle of February 1947 there were signs of improvement, and taking into consideration the fact that the cloth supply position had become acute, it was felt that reasonable opportunities should be given to those mills, which were in a position to do so, to work an additional shift to relieve the cloth situation. Accordingly, at an urgent general meeting of members held on 14th February 1947, the following resolution was passed :—

"Resolved that the resolution adopted by the special general meeting of the members of the Association, held on Thursday the 18th July 1946, be and is hereby rescinded."

(Appendix 15.)

## HOURS OF WORK IN COTTON MILLS.

### EFFECT ON THE INDUSTRY OF THE 48-HOUR WEEK.

About the middle of December 1946, the Textile Commissioner requested the Committee to express an opinion as to the effect on the industry of the 48-hour week, in the light of experience gained in this regard and in particular on :

- (a) the output of cloth and yarn ;
- (b) the cost of production of cloth and yarn ; and
- (c) the efficiency of labour, and whether labour was willing to work an additional daily hour on payment of overtime rates.

There had been serious dislocation of work in Bombay and other centres from the beginning of September 1946, that is, within a month of the introduction of the 48-hour week, and normal working, so very essential to arrive at correct conclusions, had not been possible. If, however, it were permissible to draw an inference from the views expressed by those few mills, which were less affected by the unsettled conditions, it might be stated that the reduction in hours of work had been followed by a diminution of output of cloth and yarn, the percentage of reduction varying from a little over 11 to 15, but in any case the minimum loss in production sustained by the industry was no less than its production for one hour. Members of the Association were paying for the 8-hour day the same wages they were paying for the 9-hour day. Though production had diminished, the level of wage cost remained the same, which meant that the labour cost per unit of production had proportionately increased and the same was the position in connection with overhead expenses. On the whole the cost of production had increased with the reduction in hours of work.

As regards efficiency of labour, though it was expected that reduction in hours of work would be followed by increased efficiency and more conscientious application to work on the part of workers, nothing had happened except that the worker unfortunately continued to leave the machine unattended to the extent he was doing before the hours of work were reduced. In this connection, it was pointed out that in certain occupations, where production was governed more by the machines and less by the workers attending to it, it was not possible to make up completely, or even to an appreciable extent, the loss of production following from the reduction in working hours.

As regards the inquiry, whether labour was willing to work an additional daily hour on payment of overtime rates, it was pointed out that the workers were generally unwilling to work overtime even in those rare cases where they were asked to work overtime in the interest of maintaining productive balance within the various departments. (*Appendix 16.*)

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### HOURS OF WORK IN COTTON MILLS.

(*See also pages 58 and 181 of Report for 1942.*)

Reference was made on page 58 of the Association's report for the year 1942 to the notification exempting all cotton spinning and weaving factories and all bleaching and dyeing factories in Bombay Province from the provisions of section 34 of the Factories Act (which prescribes the maximum working hours). By a notification dated 10th August 1946, the Government of Bombay cancelled the notification issued in June 1942. The effect of this notification is that all cotton spinning and weaving factories in the Bombay Province must now conform to the prescribed working hours.

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### THE FACTORIES (AMENDMENT) ACT, 1947.

#### PROVISION OF CANTEENS IN MILLS.

The Hon'ble Mr. Jagjivan Ram, Member for Labour, introduced in the Central Legislative Assembly, on 28th October, 1946, a Bill to amend the Factories Act empowering Provincial Governments to make rules requiring specified factories employing 250 persons or more to set up canteens in conformity with prescribed standards and conditions as regards construction, accommodation, equipment, food-stuffs to be served and the prices to be charged, and representation of labour on the management of the canteens, etc.

When this subject was discussed at the Seventh Labour Conference, the attention of Government was drawn by the employers' representatives to the following practical difficulties inherent in a proposal of this character, which Government, then, seemed to appreciate :—

- (a) Lack of building space in mill premises ; in several mills there was absolutely no space for putting up any additional structure whatsoever.

- (b) Caste and communal prejudices obtaining among workers.
- (c) The cosmopolitan composition of the labour force in mills, and the difficulty of evolving a standard menu suitable to all tastes.
- (d) The canteen idea did not fit in with the social life of the worker.

As it, however, appeared that Government had made up their mind in this matter, Government's attention was again drawn to these practical difficulties in a representation sent towards the end of December 1946. It was further pointed out that even in mills, which had canteens, the experience of the management had not been very happy. It was only very recently that, under pressure from the local authorities, a member of the Association in Sholapur opened a canteen at considerable capital expense, but the establishment had to be wound up as the workers were found unwilling to take advantage of it. This might perhaps be, to some extent, due to the workers of one community or caste being unwilling to take their food in a common room with workers belonging to other castes or communities, but it was reported to the management that a midday meal at the mills was embarrassing to several workers, as private boarding houses in the town refused to provide their night meal only.

Establishments like cotton mills employing between 2,000 and 10,000 workers per day, if compelled to provide even one cooked meal per worker per day would have to maintain an army of cooks, service boys, supervisors, purchasing and accounting staff, which were calculated to be embarrassing to a large number of mills, not only from the point of view of the amount of supervision required, but also from the point of view of the difficulties which they would experience in procuring foodstuffs including vegetables. In addition, a proper check on the quality of the materials purchased, and prices paid, would also involve a very considerable amount of supervision to ensure that mills got the quality and quantity of goods paid for. This was particularly so in purchasing materials for cooked meals as, in buying a majority of the materials, for example, vegetables, etc., there could be no question of getting any invoices or receipts.

The Committee, however, agreed that facilities for refreshments should be available for workers in industrial establishments, but they submitted that the need should be met by the workers themselves forming into co-operative units and running such institutions themselves, and that where such co-operative institutions were not forthcoming, there should be no compulsion whatsoever on the management to provide canteens, and voluntary efforts by employers should be encouraged. The Committee further contended that, if the employer was to be compelled to open canteens, then, the question of participation of workers in the management should not arise, and the employer should be given the discretion as to whether, and, if so, to what extent workers' co-operation on the management should be taken. It was further pointed out that, while the employers might be expected to be ready and willing to consider helpful, constructive and reasonable suggestions from workers for the improvement of the usefulness of canteens wherever they were in existence, statutory association of workers in the management of the canteen, in the opinion of the Committee, was not calculated to produce useful results. Things might, perhaps, improve with the spread of education

and sense of responsibility among the workers, but until that stage was reached, the Committee stated that the wide powers sought to be given in the Bill to Provincial Governments should not be utilised.

In conclusion, the Committee stated that their objections to the provisions of the Bill were of a twofold character: first, to the principle underlying compulsion in the establishment of canteens; and second, to the compulsory association of workers in the management of canteens; and held that the question of canteens for supplying cooked meals to workers should only be opened or considered if a majority of the workers desired to have canteens.

The Bill was, however, passed by the Legislature and received the assent of the Governor-General on 11th March 1947. (*Appendix 17.*)

#### AMENDMENT OF THE TRADE DISPUTES ACT, 1929.

(See also pages 90 and 224 of Report for 1942.)

Reference was made on page 90 of the Association's report for 1942 to the views of the Committee on a draft Bill framed by the Government of India in 1942 to amend the Trade Disputes Act, 1929. The draft was not proceeded with, but in March 1946, Government placed before the meeting of the Standing Labour Committee certain proposals for the amendment of the Trade Disputes Act. These proposals, which were of a tentative character, were limited to the minimum amendments which Government thought were required for the immediate future, and were designed to provide some alternative machinery in place of the machinery provided by Rule 81A of the Defence of India Rules, which would cease to apply from 1st October 1946. The Standing Labour Committee could not, however, examine the proposals as the memorandum on the subject was not circulated to the members in advance.

Towards the beginning of May, Government issued a revised memorandum containing in detail their proposals for the amendment of the Act.

Briefly stated, the proposals were designed to set up an effective statutory machinery for conciliation and adjudication of trade disputes. A distinction was, however, drawn between (1) public utility undertakings and essential industrial undertakings, and (2) all other industrial undertakings. The Committee did not comment on the proposals relating to public utility and essential industrial undertakings. In regard to industrial undertakings, however, they made the following observations:

The Committee were unable to agree with Government's proposal that "no statutory notice would be required in the case of strikes and lockouts," for the following reasons:—

(a) One of the objects underlying the Trade Disputes Act of 1929 was to prevent cessation of work, if possible, or at least to ensure that before a cessation of work took place, reasonable endeavours were made to settle the dispute, by direct negotiations between the parties, and/or conciliation. If past experience could be relied upon, workers would not, without legislative compulsion, be inclined to postpone cessation of work until their grievances had been placed before their employers, and an opportunity had been given

to the latter to set matters right. Even at present, in spite of the provisions of the Bombay Industrial Disputes Act in Bombay, and the Defence of India Rules throughout India, lightning strikes were taking place, and if Government's proposals to dispense with notice of strikes were adopted, it would only make matters worse, and defeat the fundamental object underlying the Trade Disputes legislation.

(b) Government did not seem to have taken into account the fact that lightning strikes had, in Bombay, been followed with a list of demands from labour containing matters, several of which had little or no relation to the cessation of work which had taken place. This multiplicity of grievances, if permitted, would not only render negotiations difficult, but would also make conciliation proceedings a very protracted affair, a state of affairs which the Committee felt should always be avoided.

(c) A legal strike, in effect, meant a licensed deviation from the contractual relationship between the employer and the employee, and even assuming that this deviation should be permitted on the ground that a legal strike was the worker's only weapon for securing redress of his legitimate grievances, it was only fair that, before the worker exercised his privilege, the employer should be apprised of the latter's grievances, and given an opportunity to set matters right.

(d) Psychologically, the bitterness and tension, which usually followed a cessation of work were not calculated to promote a peaceful settlement of the issues involved, and in this view of the case, should be avoided, as far as possible.

Under these circumstances, the Committee considered that a strike or lockout should always be preceded by a sufficiently long notice period which would permit of conciliation machinery being brought into action if necessary. The larger interests of the country required that production should be maintained, and it was submitted that that could not be done unless lightning strikes under any circumstances were forbidden by law.

According to the proposals contained in the memorandum, Government would have the powers to refer an industrial dispute to the arbitration of an Industrial Court, the award of such Court being binding on both the parties to the dispute. The Committee were strongly opposed to the principle of compulsory arbitration. In commenting upon this aspect of the proposals, they pointed out that the statement contained in Government memorandum, viz., that provisions relating to compulsory arbitration had been generally acceptable to both the employers and the workmen, was not correct, as the proposal to introduce compulsory arbitration, more or less as a peace-time measure, was discussed at one of the Tripartite Conferences, and representatives of labour and employers were unanimously opposed to it. A very high state of organisation among the parties themselves was one of the conditions precedent to the introduction of compulsory arbitration, and unless the parties appearing before the Arbitrator truly represented those whom they professed to represent, and also guaranteed that the award, whatever its nature, would be faithfully accepted and adhered to by their following, arbitration, in the opinion of the Committee, would be meaningless, and if adopted, was calculated to react unfairly on the employer in the sense that

an award could and would always be enforced against him, and could and would not be enforced on the workers.

The Committee also felt that compulsory arbitration was likely to kill all incentive to a settlement between the employer and his workmen by direct negotiation and conciliation. The mere fact that Government could force the parties to arbitration would make a farce of conciliation proceedings, since the parties would be disinclined, as a matter of strategy, to place all their cards on the table, knowing full well that when the arbitration ultimately came, the Industrial Court would take the thread from where it snapped in the conciliation proceedings, with the result that the maximum concession made by the employer before the conciliator would become the starting point for the Industrial Court.

Apart from this inherent defect in compulsory arbitration, the Committee held the view that, if, after making genuine efforts to iron out their differences by direct negotiations, or through conciliation, the parties failed, there was no virtue in forcing them into each other's company through the medium of compulsory arbitration, and that such a course was not conducive to the growth of harmonious relations between the employer and his workers. The Committee pointed out that an award, whatever its nature, was calculated to lead to bitterness in one or the other of the parties, and would provide a fertile ground for the growth of further grievances. If, in spite of the objections urged by the Committee against the principle of compulsory arbitration, Government still desired to introduce a system of compulsory arbitration by Industrial Court, then the Committee submitted that they would be prepared to give a fair trial, provided Government undertook to provide the necessary machinery to enforce an award, if it became necessary to do so, on the workers. The Committee urged that no strike or lockout should be allowed before all peaceful means of bringing about a settlement of the dispute, if any, had been tried and failed, and until after the expiry of the notice period. It was pointed out that, logically, it should also be provided that where a strike had already been in existence, the workers should be made to resume work on the appointment of a Court of Enquiry, Board of Conciliation, or reference to an Industrial Court, and no further cessation of work should be permitted until the proceedings before the authorities referred to had been completed and their report published. This suggestion, it was pointed out, was made in view of the paramount importance of maintaining normality when a particular dispute was before an individual Conciliator, a Board of Conciliation or an Industrial Court, as otherwise, in their desire to bring the workers back to the factory, the officials concerned were likely to pursue a policy of appeasement.

On 28th October 1946, Government introduced in the Central Legislative Assembly a " Bill to provide for the investigation and settlement of industrial disputes " with the following objects and reasons :

"Experience of the working of the Trade Disputes Act, 1929, has revealed that its main defect is that while restraints have been imposed on the rights of strike and lock-out in public utility services no provision has been made to render the proceedings institutable under the Act for the settlement of an industrial dispute, either by reference to a Board of Conciliation or to a Court of Inquiry, conclusive and binding on the parties to the dispute.

This defect was overcome during the war by empowering under Rule 81A of the Defence of India Rules, the Central Government to refer industrial disputes to adjudicators and to enforce their awards. Rule 81A, which was to lapse on the 1st October, 1946, is being kept in force by the Emergency Powers (Continuance) Ordinance, 1946, for a further period of six months; and as industrial unrest, in checking which this rule has proved useful, is gaining momentum due to the stress of post-war industrial readjustment, the need of permanent legislation in replacement of this rule, is self-evident. This Bill embodies the essential principles of Rule 81A, which have proved generally acceptable to both employers and workmen, retaining intact, for the most part, the provisions of the Trade Disputes Act, 1929.

2. The two new institutions for the prevention and settlement of industrial disputes provided for in the Bill are the Works Committees consisting of representatives of employers and workmen, and Industrial Tribunals consisting of one or more members possessing qualifications ordinarily required for appointment as judges of a High Court. Power has been given to the appropriate Government to require Works Committees to be constituted in every industrial establishment employing 100 workmen or more and their duties will be to remove causes of friction between the employer and workmen in the day-to-day working of the establishment and to promote measures for securing amity and good relations between them. Industrial peace will be most enduring where it is founded on voluntary settlement, and it is hoped that the Works Committees will render recourse to the remaining machinery provided for in the Bill for the settlement of disputes, infrequent. A reference to an Industrial Tribunal will lie where both parties to any industrial dispute apply for such reference, and also where the appropriate Government considers it expedient so to do. An award of a Tribunal may be enforced either wholly or in part by the appropriate Government for a period not exceeding one year. The power to refer disputes to Industrial Tribunals and enforce their awards is an essential corollary to the obligation that lies on the Government to secure conclusive determination of the disputes with a view to redressing the legitimate grievances of the parties thereto, such obligation arising from the imposition of restraints on the rights of strike and lockout, which must remain inviolate, except where considerations of public interest override such rights.

3. The Bill also seeks to reorient the administration of the conciliation machinery provided in the Trade Disputes Act. Conciliation will be compulsory in all disputes in public utility services and optional in the case of other industrial establishments. With a view to expedite conciliation proceedings, time limits have been prescribed for conclusion thereof—14 days in the case of conciliation officer and two months in the case of Board of Conciliation from the date of notice of strike. A settlement arrived at in the course of conciliation proceedings will be binding for such period as may be agreed upon by the parties and where no period has been agreed upon, for a period of one year, and will continue to be binding until revoked by a 3 months' notice by either party to the dispute.

4. Another important new feature of the Bill relates to the prohibition of strikes and lockouts during the pendency of conciliation and adjudication proceedings, of settlements reached in the course of conciliation proceedings and of awards of Industrial Tribunals declared binding by the appropriate Government. The underlying argument is that where a dispute has been referred to conciliation for adjudication a strike or lockout in furtherance thereof, is both unnecessary and inexpedient. Where on the date of reference to conciliation or adjudication, a strike or lockout is already in existence, power is given to the appropriate Government to prohibit its continuance lest the chances of settlement or speedy determination of the dispute should be jeopardised.

5. The Bill also empowers the appropriate Government to declare, if public interest or emergency so requires, by notification in the official *Gazette*, any industry to be a public utility service, for such period, if any, as may be specified in the notification."

The Bill was referred to a Select Committee of the House which included, among others, Sir Cowasji Jehangir, and Mr. Vadilal Lallubhai, and the Committee's views on the Bill were conveyed to them by the Deputy Chairman.



The Committee's views on some of the important provisions of the Bill were :

The Bill empowered Provincial Governments to require an employer to constitute in the prescribed manner, a Works Committee consisting of representatives of employers and workmen engaged in the establishment. The Committee felt that there should be no compulsion whatsoever, and Works Committees should be established only if both employers and workers agree.

The Bill empowered Provincial Governments to refer an existing or apprehended industrial dispute to adjudication. This provision, the Committee felt, was not calculated to promote direct negotiations between the employers and employees. The Government machinery, in the Committee's opinion, should be brought in, only if direct negotiations had failed or in a grave national emergency.

Further, Government were given discretion in the matter of prohibiting the continuance of strike or lockout on the reference of a dispute to a Board or Tribunal. The Committee felt that law must provide for resumption of work.

Government were also given discretion in making the award of an Adjudicator or Tribunal binding on the parties. The Committee held the view that the award should be binding in all cases, and no discretion should be given to Government in this matter. (Note: This suggestion has been accepted by the Select Committee.)

In a public utility concern, 14 days' notice of a strike or lockout is required. No such notice period had been prescribed for other industrial establishments. This, in the Committee's opinion, was wrong in principle. Granting that a legal strike is the workman's weapon to secure redress of his legitimate grievances, it was only fair that before the worker exercised his privilege, the employer should be apprised of his grievances and given an opportunity of setting matters right.

The Select Committee submitted their report towards the beginning of February and the Bill was passed by the Central Assembly on 21st February 1947, but none of the major amendments proposed by the Committee were incorporated in the Bill as it emerged from the House. (*Appendix 18.*)

## INDIAN TRADE UNIONS (AMENDMENT) ACT.

### RECOGNITION OF TRADE UNIONS.

(See also pages 22 and 64 of Report for 1944.)

Reference was made on page 22 of the Association's report for 1944, to the views expressed by the Committee on a Bill to amend the Indian Trade Unions Act, 1926, so as to provide for the compulsory recognition of trade unions under certain conditions. The Bill was not proceeded with, but a revised Bill was placed by the Government of India before the Seventh Labour Conference, held at Delhi on 27th and 28th November, 1945. At this

conference a special sub-committee was appointed to examine the draft Bill, and the Bill, as amended by them was subsequently introduced by Government, in the Central Legislative Assembly.

The statement of objects and reasons of the Bill reads :—

“It has long been felt that with existing conditions in India, there should be some obligation on the part of employers to recognise trade unions provided they are truly representative. The Trade Unions Act, 1926, provides for registration of the unions, but there is no obligation on the employer to recognise any registered trade unions. The Royal Commission on Labour pleading for recognition in the spirit as well as in the letter, deprecated obligatory recognition feeling that it would not secure genuine and full recognition which the Commission desired to see. The position has not, however, improved in regard to voluntary recognition by employers. The Bill, therefore, provides for obligatory recognition of representative trade unions. The question as to whether a trade union is representative or not will in the event of dispute, be considered by an Industrial Court to be set up for the purpose.

The Bill specifies certain acts as unfair practices on the part of recognised trade unions and certain other acts as unfair practices on the part of employers. Provision has been made enabling withdrawal of recognition where an unfair practice is committed by the executive or members of a recognised trade union or when the trade union has ceased to be a representative trade union or on the failure of the trade union to submit any return prescribed in the Bill. An unfair practice on the part of an employer has been made an offence punishable with fine.

The Bill was subsequently referred to a Select Committee, which, it was understood, would be meeting towards the beginning of January 1947.

The Committee's views on the Bill were set down in their representation addressed to Government which is reproduced in *Appendix 19*.

### THE MINIMUM WAGE BILL.

Towards the middle of April, a Bill to provide for fixing the minimum wages in certain employments was introduced in the Legislative Assembly.

The statement of objects and reasons of the Bill reads as follows :—

The justification for statutory fixation of minimum wages is obvious. Such provisions which exist in more advanced countries are even more necessary in India, where workers' organizations are yet poorly developed and the workers' bargaining power is consequently poor.

2. The Bill provides for fixation, by the Provincial Governments, of minimum wages for employments covered by the Schedule to the Bill. *The items in the Schedule are those where sweated labour is most prevalent or where there is a big chance of exploitation of labour.* After a time, when some experience is gained, more categories of employments can be added and the Bill provides for additions to the Schedule. A higher period is allowed for fixation of minimum wages for agricultural labour as administrative difficulties in this case will be more than in the other employments covered by the Schedule. The Bill also provides for periodical revision of the wages fixed.

3. Provision has been made for appointment of Advisory Committees and Advisory Boards, the latter for co-ordination of work of the Advisory Committees. The Committees and the Boards will have equal representation of employers and workmen. “Except on initial fixation of minimum wages, consultation with the Advisory Committees will be obligatory on all occasions of revision.

4. In cases where an employer pays less than the minimum wages fixed by Provincial Governments, a summary procedure has been provided for recovery of the balance with penalty and for subsequent prosecution of the offending party.

5. It is not ordinarily proposed to make any exemptions in regard to employees of undertakings belonging to the Central Government except that difficulties might arise where the sphere of duty of such an employee covers more than one Province and when the rates of minimum wages fixed by the different Provinces may be different. For this purpose, a provision has been included that the minimum wages fixed by a Provincial Government will not apply to employees in any undertaking owned by the Central Government or employees of a Federal railway, except with the consent of the Central Government.

The Schedule attached to the Bill covers only employments "where sweated labour is most prevalent or where there is a big chance of exploitation of labour." As the cotton textile industry was not affected by the proposed legislation, no representation on the Bill was considered necessary.

#### STANDING ORDERS FOR LARGE INDUSTRIAL CONCERNS.

(See page 14 of Report for 1944.)

Reference was made on page 14 of the Association's report for 1944 to the views of the Committee on the provisions of an order which Government then proposed to issue under rule 81A of the Defence of India Rules making it obligatory on industrial concerns employing 250 or more persons to frame a set of standing orders. The Committee were in general agreement with the provisions of the draft order, which closely followed the provisions of the Bombay Industrial Disputes Act in this respect, and suggested that instead of issuing an order under the Defence of India Rules as a war-time measure, it would be desirable if steps were taken to introduce legislation on the subject. Government subsequently dropped the idea of issuing an order under the Defence of India Rules, and on 8th April 1946 introduced a Bill in the Legislative Assembly, which sought to provide for the framing of Standing Orders in all industrial establishments employing hundred or more workers. The Bill was subsequently passed and received the assent of the Governor General on 23rd April 1946.

The Act does not apply to any industry to which before the commencement of the Act, the provisions of Chapter 5 of the Bombay Industrial Disputes Act 1938, have been applied, but applies to every industrial establishment wherein hundred or more workmen are employed, or were employed on any day of the preceding twelve months, and to such classes of other industrial establishments as the appropriate Government might, from time to time, by a notification in the official *Gazette* specify in this behalf.

According to section 3 of the Act, within six months from the date on which the Act becomes applicable to any industrial establishment, the employer concerned should submit to the Certifying Officer five copies of the draft Standing Orders proposed by him for adoption in his industrial establishment. Provision is also made for a group of employers in similar industrial establishments to submit a joint draft of Standing Orders.

The attention of members outside the Bombay Province was invited to the provisions of the Act by a circular issued towards the beginning of June. (*Appendix 20.*)

## WORKMEN'S STATE INSURANCE BILL, 1946.

(See also page 40 of Report for 1945.)

Reference was made on page 40 of the Association's report for 1945 to the scheme of sickness insurance for industrial workers prepared by Professor Adarkar and the amendments to the scheme put up by Messrs. Stack and Rao of the International Labour Office. Subsequently, a Bill to provide for Workmen's State Insurance was introduced in the Central Legislative Assembly on the 6th of November 1946. The Statement of objects and reasons attached to the Bill reads:

1. The introduction of a scheme of Health Insurance for Industrial Workers has been under the consideration of the Government of India for a long time. The necessity for such a scheme has become more urgent in view of the conditions brought about by war. The scheme envisaged is one of compulsory State Insurance providing for certain benefits in the event of sickness, maternity and employment injury to workmen employed in or in connection with work in factories other than seasonal factories.

2. A scheme of this nature has to be planned on an all-India basis and administered uniformly throughout the country. With this object, the administration of the scheme is proposed to be entrusted to a corporation constituted by central legislation.

3. The functions of the Corporation will be performed by a Central Board constituted of representatives of Central and Provincial Governments and of employers, workers and medical profession. The Board will also include certain members elected by the Central Legislative Assembly. A Standing Committee of the Board will act as the Executive of the Board, and a Medical Benefit Council will also be set up to advise on matters relating to the administration of medical benefit.

4. The Insurance Fund will be mainly derived from contribution from employers and workmen. The contributions payable in respect of each workman will be based on his average wages and will be payable in the first instance by the employer. The employer will be entitled to recover the workman's share from the wages of the workman concerned. Workmen whose earnings do not exceed 10 annas a day will be totally exempt from payment of any share of the contribution on account of such workmen being met by employer. Provision has been made for the preparation of proper budgets and the audit of accounts.

5. The insured workman will be entitled to the following benefits:

(a) *Sickness Cash Benefit*.—A workman, if certified sick and incapable of working, will receive for a period not exceeding 8 weeks in any continuous 12-monthly period, a cash allowance equal approximately to half his average daily wages during previous six months. He will also be entitled to receive medical care and treatment at such hospitals, dispensaries or other institutions to which he is employed may be allotted.

(b) *Maternity Benefit*.—Women workers will be entitled to receive a maternity benefit at 12 annas a day for 12 weeks. They will also be entitled to medical aid at the aforesaid medical institutions.

(c) *Disablement and Dependants' Benefit*.—A workman disabled by employment injury will receive for the period of disablement or life depending on whether the disablement is temporary or full and permanent as the case may be, a monthly pension equivalent to half his average wages during the previous twelve months, subject to a maximum and minimum. Where the disablement is partial, the pension will be proportionately reduced. In case of death resulting from employment injury, the pension will be payable to the widow or widows, minor sons, and minor and unmarried daughters, or in case there are no widow and legitimate children, to other dependants of the deceased workman. The workman will also be entitled to medical care and treatment.

6. Medical care and treatment to insured workmen will be provided by Provincial Governments at such hospitals, dispensaries and other institutions as may be prescribed for the purpose. The cost of the medical benefit will be shared between the Provincial Government and the Corporation in such proportion as may be agreed upon between them. In case

the average incidence of sickness cash benefit in any province is in excess of the all-India average, Provincial Government will also bear such share of the cost of the excess incidence as may be agreed upon between it and the Corporation.

7. Workman's State Insurance Courts will be set up to decide disputes and adjudicate on claims. The cost of the tribunal will be paid by the insurance fund.

8. Central Government will make rules on matter relating to the administration of the corporation, such as nomination and election of members of the Board, Standing Committee Medical Benefit Council, Powers and Duties of the Principal Officers, raising of loans, investment of funds, accounts to be maintained by the Corporation, their audit and publication. Provincial Government will make rules on matters relating to the Workmen's Insurance Courts to be set up under the Act, establishment of hospitals, dispensaries, medical institutions, etc., and the scale of medical benefit to be provided to insured persons. The Board will make regulations on matters relating to the working of the scheme, e.g., collection of contributions, payment of benefits, returns and other particulars to be submitted by employers in respect of workmen employed by them, the conditions to be observed by insured persons in receipt of benefits, etc."

The Bill was examined by the Committee in a detailed representation submitted to the Government of India.

At the outset, the Committee drew Government's attention to one or two omissions in the Bill :

First, there was no guarantee that the whole scheme would be self-supporting and that neither the employers nor the employees would be called upon to make any payment in addition to, and other than, the contributions at the scale laid down in the Bill. To create confidence in the scheme, Government should, it was pointed out, incorporate in the measure a clause undertaking to guarantee the solvency of the scheme, say, for the first 25 years.

Second, the Bill was silent about Government's share in the cost of the scheme. Both Professor Adarkar and Messrs. Stack and Rao had emphasised in no uncertain language the need for Government assistance. On page 10 of his report, Professor Adarkar had stated :

"The question of a State contribution to health insurance cannot be shirked. . . . . The general proposition that the State should bear its due share of financial responsibility in regard to social security as a whole is one which needs little argument."

There was no mention anywhere in the Bill of any contribution by Government except a half-hearted undertaking to provide medical facilities, the extent of which was vague and uncertain. While it was impossible in the absence of sickness and other records, to say exactly what the outgoings from the Fund were likely to be in the shape of cash benefits allowance, the nature and size of the administration and other machinery which the Bill proposed to set up were calculated to absorb a very substantial slice of the income of the Fund. In this view of the case, the Committee strongly urged on Government the adoption of the proposals made by experts referred to above, namely, two-thirds of the entire cost of administration should be met by the Central Government and the cost of medical relief should be shared between the Provinces and the Fund. To place matters beyond doubt, the extent of the Central Government's contribution and the Provincial Governments' responsibility for medical expenses, should be very clearly laid down in the Bill.

The Committee's comments on the detailed clauses of the Bill will be found in *Appendix 21*.

## THE BOMBAY INDUSTRIAL RELATIONS BILL.

(See also pages 88 and 276 of *Report for 1938*.)

On 12th June 1946, the Government of Bombay issued a Press Note containing a list of the principal changes which they proposed to incorporate in the Bombay Industrial Disputes Act. The implications of the Press Note were considered by the Committee and a representation containing the Association's views was sent to the Government early in July.

These amendments were subsequently incorporated in the Bombay Industrial Relations Bill which was a comprehensive piece of legislation meant to displace the Industrial Disputes Act, 1938. The Bill was published in the *Bombay Government Gazette* dated 6th September 1946. The statement of objects and reasons attached to the Bill reads :—

“The Bombay Industrial Disputes Act of 1938 has been in force for the last eight years. The provisions of the Act have been availed of extensively, by the employers as well as the employees in the textile industry to which alone the Act has so far been applied. It has to a very large degree served the purpose for which it was intended. With the passage of years and on the strength of the experience gained during this period it has, however, become necessary and possible to build further on the same foundations.

This Bill cuts new ground in several directions :

- (1) Government seeks to achieve its declared object of facilitating the organisation of labour by creating a list of approved unions, introducing a category of primary unions removing for the purpose of registration the condition relating to recognition by the employer, bringing down the minimum membership for a representative union from 25 to 15 per cent. and reducing the qualifying period from six to three months. An approved union is invested with substantial privileges but is also required to undertake a corresponding set of obligations in the interests of the stability of industry and the progress of sound trade unionism. Even a small beginning in this direction in the shape of a primary union having as members 15 per cent. of the employees in a single undertaking is given a place and a function in the new scheme. The range of activities of a registered union is enlarged by enabling it to act as a representative of employees on behalf of non-members who may choose such a union for the purpose of representing them in any proceedings.
- (2) Provision is made for the maintenance of a list of approved unions, and all registered unions, that satisfy among others certain conditions regarding the regularity of meetings of the executive committee, Government audit of their accounts, and the avoidance of resort to strikes so long as means of settlement and conciliation are available under the Act will be placed on the list of approved unions and will derive substantial advantages under the Act including the right of inspecting any place where their members work, collecting union dues on the employer's premises and legal aid at Government expense in important proceedings before the Labour Court and the Industrial Court.
- (3) The provisions relating to Labour Courts are an innovation so far as this country is concerned. An analysis of strikes and lock-outs occurring over a series of years has revealed the fact that a large proportion of stoppages arises out of disputes involving no substantial issues. Delay in the redress of grievances of workers with regard to these matters and one-sided exercise of discretion in dealing with them

creates a large volume of bitterness and discontent which lead to frequent disturbances of the peace of the industry and cause serious loss of production and workers' earnings.

The conciliation procedure in the Act of 1938 has not been found to be quite suitable for dealing with disputes of this character, both because of the length of time which the proceedings take and the lack of finality at the end of the proceedings. A remedy for this will be found in the Labour Courts which will be instituted under the new Act, to ensure impartial and relatively quick decisions in references regarding illegal changes, illegal strikes and lock-outs and the complaints that either side may bring up.

The new clauses relating to the manner of modification of standing orders are designed to secure a similar purpose.

- (4) The maximum duration of conciliation proceedings has been very much curtailed and substitutes for a notice of change have been recognised to avoid delay in initiating the actual work of conciliation.
- (5) Provision is made for setting up joint committees of representatives of employers and employees in various occupations and undertakings in an industry. This is a device for establishing direct and continuous touch between the representatives of employers and workers and for securing speedy consideration and disposal of the difficulties which arise from day to day in employer and employee relations. This is a familiar arrangement in the United Kingdom and in several other countries and its adoption has been recommended by the Royal Commission on Indian Labour.
- (6) The clause relating to references of disputes to the Industrial Court, at the instance of Government, is redrafted to give it a wider field for the exercise of discretion. Such a course has been rendered necessary by the frequent calls on Government, during recent years from employers as well as employees, for compulsory adjudication of disputes.
- (7) Apart from reducing the penalties for going on or continuing on an illegal strike the Bill removes an ambiguity regarding the circumstances in which the penalties in consequence of an illegal strike arise.
- (8) Provision is also made to enable Government to set up a Court of Enquiry, when this procedure is considered appropriate in a particular situation or dispute in an industry.
- (9) The maintenance by Government of a record of conditions, usages and conventions relating to labour in each undertaking will be compulsory. This information will prove helpful to the authorities under the Act in settling disputes and determining whether a certain change was illegal or not.
- (10) The powers and duties of the Labour Officer are expanded so as to enable him to function more efficiently.
- (11) Annual election of representatives of employees is provided for in lieu of the present system of election of representatives for a particular dispute only.

There are in addition a number of minor changes in the wording of several clauses to surmount certain legal and administrative difficulties which have been encountered in the working of the Act of 1938.

- (12) In view of the scope of the Bill which embraces a much wider field than the Bombay Industrial Disputes Act, 1938, it has been entitled the Bombay Industrial Relations Bill."

In view of the far-reaching nature of the provisions contained in the Bill, the Chairman of the Association, in conjunction with the Presidents of the Employers' Federation of India, and the Ahmedabad Millowners' Association and Vice-President of the Bombay Chamber of Commerce

addressed the following telegram to the Prime Minister and Labour Minister of the Government of Bombay.

"In view of far-reaching character of Bombay Industrial Relations Bill of 1946, we strongly urge that interests concerned should have adequate opportunity of considering its various implications. We are also of opinion that uniformity of legislation on such important matters is essential and we urge that opportunity should be taken of the conference of Labour Ministers to be held at Delhi early October to try and bring about co-ordination of labour legislation in the Provinces. If Bombay Government require powers to deal with immediate situation they can put through legislation of temporary character with regard to adjudication and the like as very recently done in Madras. We submit our request is very reasonable and we hope Government will not rush through such an important Bill which contains several provisions with regard to which industrial interests entertain serious apprehensions."

Subsequently, the Prime Minister and the Labour Minister received a deputation consisting of Sir Homi Mody, Sir Sorab Saklatvala, Mr. L. A. Halsall, Mr. Ramnath A. Podar, and Mr. Dharamsey Murtaj Khatau, at Poona, when Sir Homi Mody strongly pleaded for the introduction of the Bill being delayed pending the conference of Labour Ministers of Provinces which was to be held at Delhi early in October. This was not acceptable to Government and the deputationists, therefore, proceeded with their criticism of the Bill clause by clause.

The Bill with certain amendments was introduced by the Labour Minister in the Assembly on 26th September 1946. The Association's representative in conjunction with the Progress Party tabled 39 amendments, but with no material success. Certain amendments proposed by Government were accepted by the House, and the Assembly passed the measure on 10th October.

When the Bill subsequently came up before the Council, certain amendments were made, and the Bill as amended by the Council was passed by the Assembly in February 1947 and received the assent of the Governor-General, on 9th April 1947. (*Appendix 22.*)

## BOMBAY SHOPS AND ESTABLISHMENTS ACT, 1939.

### EXEMPTION OF CERTAIN DEPARTMENTAL CLERKS FROM CERTAIN PROVISIONS OF THE ACT DURING CONTINUANCE OF THE WAR.

(See also pages 96 and 269 of Report for 1941.)

Reference was made on page 96 of the Association's report for 1941 to the exemption granted by Government to certain categories of clerks employed in cotton mills in Bombay from the provisions of the Bombay Shops and Establishments Act for the duration of the war. Although hostilities had ceased, normality had not been established and the Committee, therefore, approached Government again with the suggestion that the current exemption might be allowed to continue for the time being. The matter is still under Government's consideration. (*Appendix 23.*)

### ENQUIRY INTO THE WORKING OF THE BOMBAY SHOPS AND ESTABLISHMENTS ACT, 1939.

Early in July the Commissioner of Labour invited the attention of the Committee to a Press Note issued by Government announcing the



appointment of Mr. R. R. Bakhale, B.A., M.L.C., for making an enquiry into the working of the Bombay Shops and Establishments Act, 1939, to study any difficulties that might have been experienced in its administration and to make recommendations, if necessary, for improving the administrative and substantive provisions of the Act. The Committee placed before Mr. Bakhale copies of the correspondence which had passed between Government and the Association in connection with the difficulties experienced by mills in complying with the provisions of the Act. It was further pointed out that mill canteens, grain shops, cloth shops, creche and the like existed in mills as amenities to workers and the total number of persons employed in these departments was not by any means large. Since they existed as amenities to workers, it was absolutely necessary that they should be kept open during mill working hours. In the case of big establishments like cotton mills employing thousands of workers, who were subject to the provisions of the Factories Act, it was urged, the same Act should be made applicable to those departments, which existed in the same premises as amenities to employees or as adjuncts to the work carried on in them. In industrial establishments, where the vast majority of workers were covered by the Factories Act, that Act should, it was pointed out, be extended to cover even the small minority who, at present, came under the jurisdiction of the Bombay Shops and Establishments Act. (*Appendix 24.*)

#### THE INDIAN ELECTRICITY (SUPPLY) BILL, 1946.

About the end of May, the Government of Bombay requested the Committee to express an opinion on a Bill introduced in the Central Legislative Assembly in February 1946 to provide for the rationalisation of production and supply of electricity.

The main object of the Bill was to give powers to Provincial Governments to set up suitable organisations to work out what is known as "Grid Schemes" within the territorial limits of the provinces. Provincial Governments were to be authorised to set up Provincial Electricity Boards, whose main function was to promote co-ordinated development and supply of electricity within a province in the most efficient and economical manner with particular reference to such development of areas not for the time being served by any licensee. According to one of the clauses, the Boards were to be given powers to control operations, finance, tariffs, etc., of all distributing and bulk supply licensees.

Clause 17 of the Bill provided, *inter alia*, that a Provincial Electricity Board should be charged with the general duty of promoting the co-ordinated development of the supply of electricity within the province in the most efficient and economical manner. Clause 45 of the Bill stipulated that the Board should fix its own Grid Tariff in respect of each area for which a scheme was enforced, and that tariffs might differ for different areas. The Committee apprehended that, in virtue of these and other provisions, the Board might attempt to subsidise supplies of electrical energy to undeveloped rural areas at the expense of industrial and urban consumers of electricity. The Committee were anxious that this should not be allowed to take place

and that, if it were decided to embark on schemes of developing electricity in rural areas, any loss arising therefrom should be met by a general subsidy from Government and not at the cost of one section of electricity consumers. They, therefore, suggested incorporation of a provision in the Bill to make it clear that consumers in electrically developed areas would not be required to pay the cost of uneconomic electrical developments in other areas.

As regards the powers which were proposed to be given to the Provincial Electricity Boards, which included complete control of the operations, finance, tariffs, etc., of all distributing and bulk supply licensees and for the manufacture of electrical equipments, etc., the Committee felt that, in view of these vast powers, sufficient safeguards should be provided to protect the interests of consumers and licensees.

Clause 74 of the Bill provided for arbitration in the case of any dispute between a Board and a licensee or other persons. The Committee were of the opinion that, in view of the large powers proposed to be conferred on the Board, this procedure would not, in itself, be a sufficient safeguard, and suggested the establishment of an appellate authority for hearing appeals from decisions of the Board. (*Appendix 25.*)

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## INDIAN ELECTRICITY RULES, 1937

### AMENDMENTS TO RULE 62—SUB-RULES 2 AND 3.

*(See also pages 40 and 91 of Report for 1945.)*

Reference was made on page 40 of the Association's report for 1945 to a representation submitted by the Committee to the Government of Bombay drawing their attention to the difficulties which would be experienced by mills in complying with the provisions of the amended rule 62, sub-rules (2) and (3) of the Indian Electricity Rules, particularly in connection with existing installations. The Committee had urged in this representation that existing installations should be exempted from the provisions of the amended rule. This was followed by a conference with representatives of the Provincial Government, the final outcome of which was that Government expressed their inability to grant a general and complete exemption from the provisions of the rules in question, but stated that every consumer should approach the Electrical Inspector, who would be prepared to give maximum relaxation in respect of details until such time as the consumer was in a position to carry out remodelling work.

Following this decision, representatives of the Bombay Fire Insurance Association called on the Committee of the Association, and pointed out that certain provisions of the amended rule 62 were desirable, and whilst these should not be applied retrospectively, it was necessary to enforce them in the case of all new transformer houses, and also where major alterations were taking place. The representatives of the Association had no objection to the Bombay Fire Insurance Association enforcing its own rules and penalising those who did not comply with them so long as the rules were not made applicable to existing transformer houses. The representatives of the Association suggested that the Fire Insurance Association might forward

to the Committee the draft of a rule which, in its opinion, would suit the needs of the case, and this was subsequently done. The new rule as amended by the Bombay Fire Insurance Association and accepted by the Committee reads as under :—

- (1) Every oil filled apparatus, such as a transformer, static condenser, switchgear or oil circuit breaker having an individual or aggregate oil capacity of 50 gallons or over must be housed in a locked weather and fireproof building if possible separated by at least 20 ft. from all surrounding buildings and suitably ventilated to the outside of the building only.
- (2) Each oil filled apparatus shall also be segregated from all other apparatus by fireproof walls of approved height and width and every chamber shall be provided with suitable oil drains and soak pits.  
Cable trenches inside substations shall be filled with pebbles or similar non-inflammable materials and covered with non-inflammable slabs.
- (3) Where such apparatuses are installed outdoors, they shall be suitably fenced in in a locked enclosure separated by at least 20 ft. from any other building and each piece of apparatus shall be segregated as in (2) above.

(Appendix 26.)

## TRADE MARKS (AMENDMENT) ACT, 1946.

### RECIPROCAL ARRANGEMENTS WITH INDIAN STATES.

(See also pages 29 and 72 of Report for 1945.)

Reference was made on page 29 of the Association's report for 1945 to a proposal to provide reciprocity arrangements between British India and Indian States in the matter of registration of trade marks. A Bill to amend the Trade Marks Act, 1940, was accordingly introduced in the Legislative Assembly on 28th February 1946. The statement of objects and reasons reads :—

"The Trade Marks Act, 1940, is only effective in British India. There are many Indian States who have either passed Trade Marks Acts of their own on the lines of the Trade Marks Act of 1940, or proposed to do so in the near future. The commercial community, however, apprehend that separate registrations in a number of territories in India would be a great financial burden on them, apart from the embarrassment and confusion that would arise as the result of conflicting trade marks being registered in various territories in India. The States who have enacted or propose to enact legislation for trade marks registration have realised the seriousness of the problem, and have expressed their willingness to enter into reciprocal arrangements with the Government of India in this matter. The proposals in the Bill which are explained in the Notes on Clauses have therefore been designed with a view to avoiding conflict of registration in various Indian States and also to make trade marks registered in any territory effective in all territories in India in which trade marks legislation has been enacted. Provision has also been made for the delegation of the statutory powers of the Registrar of Trade Marks to other officers in addition to the Deputy Registrar.

Corresponding amendments will be made in the Trade Marks Acts of the Indian States so that infringement actions on trade marks and certification of trade marks registered in British India may be filed in any of the reciprocating Indian States, thus making it unnecessary for the proprietor of a trade mark to register a trade mark more than once in India."

The Bill seemed to have been drawn up on right lines. The Committee sent a telegram to the Government of India requesting that the Bill be passed in the current session of the Legislative Assembly. It was also suggested that, with a view to facilitate the introduction of reciprocal arrangements, a special officer might be appointed at the earliest opportunity to draft out

the rules and to settle the other matters connected with the reciprocity scheme.

The Bill was passed by the Central Legislative Assembly on 4th April 1946 and received the assent of the Governor-General on 18th April, 1946. (*Appendix 27.*)

### STAMPING OF YARDAGE ON PIECEGOODS.

About the end of August 1946 attention of the Committee was drawn by the Government of India, to the provisions of section 18 (f) of the Sea Customs Act, according to which all piecegoods, which were ordinarily sold by the length or by the piece were required to be stamped with the length in yardage, and also to notification No. 1430, dated the 6th April 1891, which specified the types of piecegoods, which were exempted from the provision relating to stamping of length. It appeared from the letter received from Government that a question had arisen as to what proportion of cotton and/or wool present in a fabric should be regarded as forming a "material constituent," and a suggestion had been made that the expression "material constituent" should mean "not negligible or insignificant" rather than "major portion," and that for practical purposes any piecegoods containing 33 per cent. of cotton and/or wool should fall within the purview of section 18 (f) of the Sea Customs Act. The Committee were further informed that local trade favoured insistence on the stamping of yardage even on textile goods which were now exempted from the provision of section 18(f) of the Sea Customs Act but were ordinarily sold by length or piece since such marking would not spoil the fabric or cause it to depreciate in value. A proposal had also been made that goods such as silk, art silk, and such other mixed piecegoods as were ordinarily sold by length or piece should be required to be stamped with length in yardage by extending to them the provisions of the Sea Customs Act. The Government of India desired the views of the Committee on these points.

The Committee, in reply, stated that, in their opinion, the list of goods included in the notification referred to, prepared as it was in the year 1891, was out of date and should be re-examined by Government in consultation with commercial and industrial interests with a view to revise it in the light of current requirements. There were certain items which were included in the notification, which, in the Committee's view, should not have been exempted from the stamping provisions.

In this connection, the Committee drew Government's attention to one drawback in the Merchandise Marks Manual. The Manual prescribed the scale of tolerances to be allowed between stamped dimensions and the real dimensions in the case of cotton piecegoods, and no scale of tolerances had been prescribed for the guidance of Criminal Courts trying cases of fraudulent trade descriptions in respect of piecegoods made of other fibres, or mixture goods. The Committee stated that, in their opinion, this was a very important matter, and suggested that this question should be re-examined by Government in consultation with commercial and industrial interests in the country.

In reply, Government stated that it was proposed to withdraw the exemption from stamping of yardage granted to silk, art silk and such other piecegoods as are ordinarily sold by length or piece, and invited the Committee's suggestions for a modification of the list of exemptions contained in the notification dated the 6th April 1891.

The Committee subsequently suggested the omission of Alhambra quiltings; blind cloth if not in cut pieces; buckrams if not in cut pieces; filter cloth; press cloth if not in cut pieces; Madras muslin cloth; penelope canvas; undershirt cloth; woollen clearer cloth; woollen roller cloth; woollen sizing flannel and tapestry cloth from the notification.

The matter is still under Government's consideration. (*Appendix 28.*)

#### ESSENTIAL SUPPLIES (TEMPORARY POWERS) ACT, 1946.

The Cotton Cloth and Yarn (Control) Order, 1943, and various other Orders regulating the production, distribution, and prices of cotton cloth and yarn, and certain other commodities, were based on the Defence of India Act and the Rules made thereunder. As the Defence of India Act was due to expire on 30th September 1946, the Government of India continued the various Control Orders under the Essential Supplies (Temporary Powers) Ordinance, 1946, issued on the 25th September 1946.

On 6th November 1946, Government introduced in the Legislative Assembly, a Bill to provide for the continuance during a limited period, of powers to control the production, supply and distribution of, and trade and commerce in certain essential commodities including cotton and woollen textiles. The Bill was passed by the Legislature and received the assent of the Governor-General on 16th November 1946.

#### TEXTILE MACHINERY MANUFACTURE IN INDIA.

The Chairman of the Association, at the request of the Hon'ble Sir Ardeshir Dalal, the then Member for Planning and Development, Government of India, convened a conference of the members of the Committee and certain other representatives of textile interests on Monday, the 17th December 1945, when the question of setting up an All-India organisation for the manufacture of textile machinery was discussed.

In accordance with the views expressed at the Conference, the Government of India subsequently appointed a committee consisting of representatives of the various organisations and Associations of Millowners to consider steps to be taken for the manufacture of textile machinery in India. Mr. Dharamsey Mulraj Khatau and Mr. Neville N. Wadia represented the Association on this Committee. The Committee of the Association also agreed, at the request of the Government of India, to permit the Secretary of the Association to act as the Secretary of the Committee.

The first meeting of this Committee was held at New Delhi on 23rd January 1946 at which a Sub-Committee consisting of Mr. Kasturbhai Lalbhai, Sir Shri Ram and Mr. Dharamsey Mulraj Khatau was appointed to submit proposals in connection with the formation of the company which would ultimately be responsible for undertaking the manufacture of textile machinery in this country.

The question was subsequently taken up by Government in September with the Industry's Committee of the Textile Control Board, and as a result, a delegation consisting of Mr. Dharamsey Mulraj Khatau, Mr. Kasturbhai Lalbhai, Sir Frederick Stones and Mr. Krishnaraj M. D. Thackersey with Mr. T. P. Barat, Joint Textile Commissioner as Secretary, went over to England to discuss the question with representatives of the textile machinery manufacturers. It is understood that an agreement has since been reached with the Textile Machinery Makers, Ltd., England, which provides, *inter alia*,

- (a) that 74 per cent. of the shares and the controlling interest would be held by Indians; the British concern would have a 26 per cent. financial interest, and would be represented on the Company's Board upto a fourth of the total strength; and
- (b) of the total capital of Rs. 15 millions, the Textile Machinery Makers, Ltd., would have shares valued at Rs. 3.9 millions which would consist of Rs. 1.3 millions worth of shares to be subscribed for in cash and fully paid-up shares of Rs. 2.6 millions in return for goodwill, patent rights, technical assistance and benefits of all past and future research.

It appears the Government of India have been informed of this agreement, and they have given their approval to the same.

#### REGISTRATION OF IMPORT OF POST-WAR REQUIREMENTS OF CAPITAL GOODS FOR COTTON TEXTILE INDUSTRY.

(See also page 46 of Report for 1945.)

Reference was made on page 46 of the Association's report for 1945 to the scheme formulated by the Department of Commerce, Government of India, in December 1944 according to which applications for the registration of import of both war and post-war requirements of all categories of capital goods were to be made to the Chief Controller of Imports.

Towards the end of December 1946, Government issued the following Press Note:—

"The Capital Goods Registration Scheme which was introduced in December, 1944 has been abolished. In future, therefore, it will not be necessary for intending importers of capital goods to apply for prior registration of their requirements. They may now apply straightaway for licences.

Applications for capital goods which relate to industries for which post-war planning has been approved by the Government of India will be dealt with in accordance with such plans. Those relating to industries for which plans have not yet been approved by the Government of India will be considered on merits by the Chief Controller of Imports in consultation

with the Government of India Inter-Departmental Capital Goods Import Committee which meets once a fortnight. Applications relating to the cotton textile industry, which is a planned industry, will continue to be dealt with by the Deputy Chief Controller of Imports, Bombay, and those relating to other capital goods will be dealt with by the Chief Controller of Imports as heretofore. The definition of the term 'capital goods' will remain the same as at present."

### INDIAN STANDARDS INSTITUTION.

Towards the middle of December 1945, the Government of India invited the Committee's views on a proposal for the establishment of an Indian Standards Institution. The objects of the proposed Institution were stated to be, among others :—

To prepare and promote the general adoption of standards on international and national basis relating to structures, commodities, materials, practices, operations, matters and things and from time to time to revise, alter and amend the same.

To consider and to recommend to Government, national standard for the measurement of length, weight, volume and energy.

To promote standardisation, quality control and simplification in industry and commerce.

To provide for the registration of standardisation marks applicable to the products, commodities, etc., for which it issues standards to be branded on or applied to those products which conform to the standards set.

To arrange facilities for the examination and testing of commodities, processes and practices and for any investigation or research that may be necessary, etc., etc.

The affairs of the Institute were to be managed by a General Council ; and provision was made for the formation of an Executive Committee for directing the affairs of the Institution, and a Finance Committee for conducting the financial affairs. It was also proposed to divide the work of the Institute into various divisions such as Engineering, Building, Textiles, Chemical and Agricultural and Food Products. Division Councils were to be set up consisting of representatives of the various interests in the industries included in the division. Membership of the Institution was open to organisations, companies, firms and individuals interested in the work of the Institution, and the rules provided for a subscription of Rs. 250 for organisations, companies, corporate commercial bodies, etc., and Rs. 25 for individual members.

There were one or two points arising from Government's proposals which required clarification, and it was thought that a discussion with the appropriate officers of Government would facilitate matters. Government were informed accordingly, but no reply was received. In the meantime, however, the constitution, aims and objects, etc., of the Institution were

settled and published, and invitations were issued by the Government of India to various industrial and commercial organisations and establishments to become members.

Towards the beginning of March 1947, the Committee reminded Government of their previous communication, which had remained unacknowledged, and stated that the particular points in respect of which clarification was sought were in connection with sub-clauses (b), (d) and (e) of clause 3 of the memorandum of association which stated that the objects of the Institution would, *inter alia*, be to promote standardisation, quality control, and simplification in industry and commerce, etc. The Committee desired to be informed of the effect of these sub-clauses on the cotton textile industry, and whether the proposed Institution would be in order in recommending standards, or laying down specifications, for cloth and yarn to be produced for consumption in India and for the export markets, and whether their recommendations would be final and binding on Government.

While the Committee had no objections to any organised measures to ensure that the actual specification of cloth tallied substantially with its declared specifications, they felt that it would be injudicious to lay down by statute, specifications of cloth to be produced in the country. The Committee pointed out that these remarks applied only to the cotton textile industry, where the production was adjusted according to the taste and requirements of the consumers, which were not uniform throughout the country and also changed from time to time.

Government in their reply stated that the Institution was a non-official body and that the standards evolved by it would be on a voluntary basis. They could not be compulsory unless Government decided to enforce any particular standard, in which case Government would have to pass separate legislation.

In explaining how these standards would be evolved, Government stated, as an example, that under the Textile Division Council, sub-committees would be formed for devising standards, say, for a particular type of cloth or yarn. These sub-committees would be composed of consumers, producers and technical men, all qualified to discuss the particular subject. The aim of the Institution would be to arrive at suitable standards acceptable to all the interested parties. These committees would take into consideration the type of machinery, labour, etc., obtaining in the industry, and would fix standards which would be possible of attainment. Besides, standards, it was stated, might not necessarily be permanent, the essence of standardisation being that it must be dynamic and must change with changing conditions.

The matter is at present before the Committee. (*Appendix 29.*)

#### PROPOSED ESTABLISHMENT OF A SECOND COLLEGE OF ENGINEERING IN BOMBAY PROVINCE.

In connection with a proposal to open a second College of Engineering in Bombay Province, the Government of Bombay appointed, towards



the middle of March a Committee consisting of Sir Ardeshir Dalal (*Chairman*); Seth Kasturbhai Lalbhai; Seth Ambalal Sarabhai; Mr. Neville N. Wadia; the Director of Public Instruction; and the Principal of the Poona College of Engineering (*Secretary*) to investigate the preliminary details and advise Government on the location of the College and other matters.

The terms of reference of the Committee were:

“The location of the College; the courses in Degree and Diploma and the branches of Engineering which should be taught in the College, and whether they should differ from those taught in the Poona College and, if so, in what respect; the numbers for which provision should be made in the College; the number and kind of professorships and lectureships that would be required and the number of demonstrators, etc., the layout and equipment of the building; including hostel accommodation; qualifications for admission to the various courses and reservation of seats for particular communities and State subjects.”

Early in April, the Chairman of that Committee, Sir Ardeshir Dalal, requested the Committee of the Association to express an opinion on certain matters connected with the proposed Engineering College. The Committee's reply is reproduced in the Appendices.

It now transpires that the Investigation Committee has submitted a report to Government which is receiving their attention. (*Appendix 30.*)

#### GOVERNMENT APPRENTICE SCHEME—CHANGE IN THE TIMINGS FOR EVENING CLASSES.

(*See also pages 117 and 273 of Report for 1942.*)

Reference was made on page 117 of the Association's report for 1942 to the change in the timings of the evening classes of the Government apprentices undergoing training in the V.J.T. Institute.

In view of the lighting restrictions imposed in various parts of the city during the war, it was agreed, as a temporary arrangement, that the second and third year apprentice classes might be held between 5 and 6-30 p.m., instead of between 6-30 and 8 p.m. and that the apprentices concerned be given “time off” from 4 p.m. so as to enable them to reach the Institute at 5 p.m. This arrangement continued till November 1944 when, consequent upon the introduction of the New Standard Time, the evening classes were held from 6 to 7-30 p.m. Towards the beginning of April 1946 the Committee agreed to a suggestion made by the Principal, V.J.T. Institute, that the timing of the evening classes should be fixed from 5-30 to 7 p.m. so as to enable apprentices to go home early and get sufficient time to prepare their lessons.

#### BOMBAY PROVINCIAL INDUSTRIES COMMITTEE.

QUESTIONNAIRE ON INDUSTRIAL SURVEY.

(*See also page 10 of Report for 1945.*)

Reference was made on page 10 of the Association's report for 1945 to the appointment of an Industries Committee for the Province of Bombay

on the lines of the Policy Committee outlined for Industries appointed by the Government of India. Towards the beginning of December 1945 this Committee issued a questionnaire designed to obtain a rapid economic and industrial survey of the various industries. The questionnaire appeared to have been intended mainly to elicit information relating to unorganised industries, or industries in respect of which no information was available. The Association, however, sent a reply on behalf of all mills in Bombay Province, furnishing the required information relating to the cotton textile industry as copies of the questionnaire had been received by mills in Bombay and also by the Association.

### SMALL-SCALE INDUSTRY FOR THE MANUFACTURE OF TOOLS, ETC.

Early in January 1946, the Secretary, Cottage and Small-Scale Industries Sub-Committee of the Bombay Provincial Industries Committee, invited the Committee's opinion on how the cottage and small-scale industries in this Province could participate with large-scale industries, particularly in the manufacture of tools, machinery parts, bobbins, shuttles, washers, leather belts, ropes, twines, etc. He stated that by such co-operation, not only more employment could be given through small-scale industries, but material could be obtained more economically, and pointed out that even in America, it was found during the war, that small-scale industries had an important part to play in conjunction with large-scale industries. The Committee stated in reply that these points required detailed investigation. A small percentage of mill stores might suitably be manufactured by the cottage industry, and this was particularly true in respect of items where labour counted for the bulk of the cost of the material produced. To start with, the Committee suggested that the following articles could be produced by the cottage industry :

*Woodwork* : Swifts, Bird Cages, Picking Band Pegs, Check-End Pegs, the Woodwork of Swifts on Reels.

*Ironwork* : Heater Spring Brackets, Long and Short Crank-Arm Straps, Lamb-Rods.

The Committee considered that, at a later stage hand-forged parts, pick counters, complete reels, etc., might also be produced by the cottage industry. It was also suggested in this connection that a discussion with the Committee recently appointed by the Government of India to go into the question of establishing an industry in this country for the manufacture of textile machinery might facilitate matters.

### COMPULSORY REGISTRATION OF BUSINESS NAMES.

(See also pages 22 and 55 of Report for 1919 and pages 123 and 448 of Report for 1924.)

Reference was made in the Association's reports for 1919 and 1924 to the Committee's views on Government's proposal for legislation to provide for compulsory registration of business names. The Committee were

then in favour of the proposed legislation, but for various reasons Government did not proceed with it. About the middle of October, the Government of India informed the Committee that a proposal for promoting legislation to provide for compulsory registration of business names, generally on the lines of the U.K. Registration of Business Names Act, 1916, was under consideration and invited an expression of opinion on the desirability of such legislation. It appeared that under the U.K. Act all firms and persons carrying on business were required to register their business names and furnish other particulars, unless the business was carried on in the true names of the proprietors, and changes in the owners and names of firms were also required to be intimated. Every individual and firm required to be registered under the Act had to exhibit the true names of the proprietors or partners on business letters, trade circulars, catalogues, etc. Under section 8 of the Act, persons in default could not enforce by legal action their rights arising out of any contract connected with their business.

The Committee stated that they were in agreement with the principle underlying the proposed legislation. (*Appendix 31.*)

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#### PROPOSALS FOR MODERNISING OF PRINCE'S AND VICTORIA DOCKS.

Towards the beginning of December, the Committee were requested by the Secretary of the Bombay Port Trust to express an opinion on certain proposals for modernising the Prince's and Victoria Docks which were before the Trustees.

The Committee were generally in favour of modernising the Prince's and Victoria Docks as far as possible, but suggested that the Port Trust might take outside expert opinion on the general issue as to whether the proposals placed before them represented the best way of modernising the Docks.

It is understood that expert opinion in regard to the technical aspects of the scheme would be obtained by the Port Trust. (*Appendix 32.*)

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#### CONSTRUCTION OF A GENERAL PURPOSE INDEX NUMBER OF WHOLESALE PRICES.

Early in December 1945, the Economic Adviser to the Reserve Bank of India, Department of Research and Statistics, Bombay, informed the Committee that his Department was attempting to construct a general purpose index number of wholesale prices in India, and requested the Committee's advice in the selection of commodities and the sources from which quotations could be obtained. The Committee confined their remarks to the prices of cotton piecegoods and yarn, and suggested that the prices included in the Association's "Average Quotations for Local-made Piecegoods and Yarns," might be taken in for the time being for the compilation of the proposed index number. The Committee also pointed out that when the

controls were removed at a later stage it might be necessary to reconstruct the Association's average quotations, and suggested that when this was done, the Reserve Bank might also change their basis. (*Appendix 33.*)

#### RULES UNDER THE INDUSTRIAL STATISTICS ACT.

(*See also page 26 of Report for 1944.*)

Reference was made on page 26 of the Association's report for 1944 to the rules framed by the Government of Bombay under the Industrial Statistics Act, 1942, for collecting statistics from factories in Bombay Province and to the representations made by the Committee in connection therewith. The Rules were finally gazetted by Government towards the end of December 1945, and the Director of Industries and Statistics Authority, Bombay, served notices on mills in Bombay, calling upon them to submit certain information for the year 1946. Copies of the Act and the Rules were forwarded by the Association to all members for information.

#### STATISTICS RELATING TO DYEING AND BLEACHING ESTABLISHMENTS.

Towards the beginning of June 1946, the Committee were informed that the Director of Industrial Statistics, the Government of India, proposed to introduce a new statistical enquiry form to be filled in by factories engaged in textile dyeing, bleaching, finishing and processing (including mercerising, printing, calendering, glazing, proofing, etc.) industry. In a representation addressed to Government, the Committee pointed out that such of the bleaching, dyeing, etc., establishments, as formed part and parcel of the cotton spinning and weaving establishments would already be submitting returns containing figures relating to quantities of raw materials used and the quantities of cloth handled for the purposes of bleaching, dyeing, etc., and they might, therefore, be exempted altogether from the scope of the proposed form.

As regards bleaching, dyeing, etc., establishments, not attached to spinning and weaving establishments, the Committee had no objection to their being required to send a return showing the quantities of raw materials and stores used by them in the processing of cloth and yarn; but it was thought that they might be exempted from giving figures relating to quantities of goods produced, as this information would already be included in the returns of the mill which manufactured the cloth or yarn concerned, in its grey state. As a result of further correspondence, the Director of Industrial Statistics stated that a separate return regarding bleaching, dyeing, etc., operations, would be required to be submitted only by an establishment which was separately registered as a factory under the Factories Act. If a factory which was primarily a cotton textile factory, also carried on in the same factory, bleaching, dyeing, etc., it would not be required to furnish a separate return in respect of these activities. (*Appendix 34.*)

#### STATISTICS RELATING TO THREAD AND THREAD BALL MAKING INDUSTRY.

Towards the end of August 1946, the Director of Industrial Statistics, Government of India, informed the Committee that the Census of Manu-

facturing Industries Rules, 1945, were proposed to be extended to cover Thread and Thread Ball Making Industry. A form in which information was required to be submitted by factories engaged in Thread and Thread Ball Making Industry was also forwarded, and the Committee were requested to make suggestions thereon.

As a result of representations made by the Committee, the Director of Industrial Statistics, Government of India, agreed that thread manufacturing establishments which formed part and parcel of spinning and weaving mills would not come within the proposed form of return for the Thread and Thread Ball Making Industry only if (i) they were not separately registered as factories, and (ii) if the principal processes in which the mill was engaged were spinning and weaving. (*Appendix 35.*)

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#### OFFICIAL DATE OF TERMINATION OF WAR.

According to the *Gazette of India Extraordinary* published on 1st April 1946, the official date of termination of the War was 1st April 1946.

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#### PACKING OF CARGO SHIPPED FROM BOMBAY.

Early in November 1946, the Bombay Underwriters' Association suggested that all cotton piecegoods bales for shipment should be covered by double hessian in addition to the normal internal covers, in order to prevent pilferage and damage to cargo during transit, which were on the increase due to the low standard of packing, and referred in this connection to a suggestion received by them to the effect that a warranty clause, viz. "warranted packed in double gunny or properly secured packing cases" should be inserted in all the insurance policies covering the export cargo. So far as Bombay Mills were concerned, double gunny packing was being given for exports, but the Committee had no objection to the proposed warranty. (*Appendix 36.*)

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#### THE BOMBAY COTTON CLOTH TRADE REGULATION ORDER, 1945.

##### FEES TO BE CHARGED FOR THE RENEWAL OF LICENCE.

Reference was made on page 52 of the Association's report for 1945 to the Bombay Cotton Cloth Dealers' Licensing Order, 1945. Under this order the fees to be charged for the renewal of licences were fixed at half the initial licence fees. The Government of Bombay subsequently decided to scale down the renewal fees, and the new fees were fixed at Rs. 100 for 'A,' 'B' and 'D' class licences; Rs. 25 for 'C' licences in Bombay City, B. S. D. and Ahmedabad City and Rs. 10 elsewhere in the Province. The renewal fees for 'E' and 'F' class licences were fixed at Rs. 5 and Rs. 20.

## COTTON TEXTILES (RAW MATERIALS AND STORES) CONTROL ORDER, 1946.

The Central Government, by a notification published in the *Gazette of India Extraordinary* dated 28th September 1946, issued the Cotton Textiles (Raw Materials and Stores) Order, 1946, consolidating the Cotton Textiles, Dyes and Chemicals Control Order 1945, the Starch Control Order 1945, the Hydrosulphite of Soda Control Order 1945 and the Textile Industry (Miscellaneous Articles) Control Order 1945, which were repealed thereby. The new Order affected the following articles :

(1) Cotton card clothing and card clothing sundries, such as cylinder fillet, doffer fillet, lickerin wire, etc. ; (2) Bobbins for use on textile machines other than jute and hemp, such as slubbing tubes, roving tubes, ring rabbeth, etc. ; (3) Shuttles for use in textile looms other than jute and hemp (ordinary and automatic) ; (4) Imported tallow ; (5) Dyes derived from coal-tar ; (6) Hydrosulphite of soda, and (7) Starch. (*Appendix 37.*)

## COTTON MOVEMENT CONTROL ORDER.

Reference was made on page 32 of the Association's report for 1942 to the Cotton Movement Control Order, according to which certain restrictions were placed on the movement of cotton by rail, road and sea. About the middle of December the Textile Commissioner invited the Committee's attention to the following telegram dated 2nd December 1946 sent by the Regional Controller of Railway Priorities, Bombay, to the Chief Traffic Managers of the G.I.P. and B.B. & C.I. Railways :—

"PT. 46-C-Con. Treat my wire PT. 46-C-Con. of 31st October 1946 restricting the movement of unmanufactured cotton between certain areas as cancelled AAA Movement of cotton will in future be unrestricted."

The Textile Commissioner further stated that the telegram marked the end of all war-time restrictions on the movement of cotton by road, rail and sea and in particular, restrictions under the Cotton Movement Control Order, 1945. It was, however, pointed out that it did not cancel, or in any way affect, any orders then in force issued by the Central, Provincial and/or State Governments by virtue of the powers vested in them under the Indian Cotton Transport Act, 1923. Priority assistance in individual cases of proved need would, it was stated, continue to be rendered to mills and exporters.

## GOVERNMENT CONTRACTORS (DISPOSAL OF COTTON TEXTILES, UNUSED MATERIAL AND REJECTED STORES) ORDER, 1945.

Reference was made on page 59 of the Association's report for 1945 to the Government Contractors (Disposal of Cotton Textiles, Unused Material and Rejected Stores) Order, 1945, which prohibited every person, who had entered into a contract with the Textile Commissioner for the supply, manu-

facture, fabrication or delivery of any article from selling or otherwise disposing of the rejected stores or the materials made available to him by or under arrangements made by the Textile Commissioner, except to such persons and at such prices as the Textile Commissioner might name.

It was not quite clear as to whether this Order was applicable to cloth and yarn manufactured by mills against orders placed with them by the Government of India (Textile Commissioner). By a circular dated 23rd March 1946, the Textile Commissioner informed all mills that all cotton textile materials, and cloth and yarn, rejected, or manufactured in excess, against orders placed by the Government of India (Textile Commissioner) should be stamped with the civil ex-mill (which should be the panel price) and retail prices current at the time of sale. In respect of materials which were manufactured and accepted against contracts placed by the Government of India (Textile Commissioner), where the contracts had subsequently been either reduced or cancelled and mills wished to take over the materials themselves, mills should, before selling such cloth or yarn, get the prices for the materials fixed by the Textile Commissioner under clause 9 of the Order. It was also stated that it was not necessary for mills to submit returns in compliance with clauses 4 and 5 of the Order. (*Appendix 38.*)

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#### THE HOARDING AND PROFITEERING PREVENTION ORDINANCE, 1943.

Reference was made on page 85 of the Association's report for 1943 to the Hoarding and Profiteering Prevention Ordinance, 1943, which empowered the Central Government to fix in respect of any article :—

- (a) the maximum quantity which may at any time be possessed by a dealer or producer ;
- (b) the maximum quantity which may in any one transaction be sold to any person ; and
- (c) the maximum price or rate which may be charged by a dealer or producer.

This Ordinance was repealed as from 30th September 1946. In taking this action the Government of India expressed the hope that the conditions which necessitated its imposition would not recur and that there would be no recrudescence of hoarding and profiteering. Provincial Governments were, however, free under their own powers of legislation to introduce laws to control prices and distribution as necessitated by local conditions.

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#### INDIAN WOOLLEN GOODS CONTROL ORDER, 1944.

Reference was made on page 36 of the Association's report for 1944 to the Indian Woollen Goods Control Order issued by the Textile Commissioner, which provided that every manufacturer of Indian woollen goods shall comply with the directions which might be issued by the Central

Government regulating the types and specifications of the Indian woollen goods which might be manufactured and prescribing the markings to be made on those goods. This order was cancelled by Government Notification No. 89(4)-TA/46 dated 17th January 1947.

#### THE ZINC CHLORIDE CONTROL ORDER, 1943.

Reference was made on page 87 of the Association's report for 1943, to the Zinc Chloride Control Order, 1943, issued by the Government of India which provided that no person shall purchase or otherwise acquire zinc chloride except in accordance with the terms of a valid licence granted by the Textile Commissioner. By notification No. 72(4)-TC/46, published in the *Government of India Gazette* dated 11th May 1946, the Government of India repealed this Order.

#### COAL-TAR PRODUCTS CONTROL ORDER, 1945.

Reference was made on page 58 of the Association's report for 1945 to the Coal-Tar Products Control Order, 1945, issued by the Government of India, in January 1945, which provided that no person shall sell or otherwise dispose of any coal-tar products specified under that Order, unless he was registered as a seller under clause 3 of the Order. The Order also provided that the registered seller could sell or dispose of the coal-tar products under the Order only against a licence issued by the licensing authority. This Order was cancelled by a Government Notification dated 3rd April 1946.

#### DECIMALISATION OF WEIGHTS AND MEASURES.

Towards the middle of April, the Committee were requested by the Government of India to express an opinion on a proposal that along with the decimalisation of coinage, an endeavour should be made to decimalise weights and measures, also.

This proposal was considered by the Committee, and in a representation made to Government about the middle of May, they invited the attention of Government to the Indian Standards of Weight Act, 1939, which had not been strictly enforced so far and which prescribed the following standards:—

- (a) The standard tola, being a weight of 180 standard grains;
- (b) The standard seer, being a weight of 80 standard tolas or 14,400 standard grains;
- (c) The standard maund, being a weight of 40 standard seers;
- (d) The standard pound, being a weight of 7,000 standard grains;
- (e) The standard ounce, being one-sixteenth part of the weight of a standard pound;



- (f) The standard hundredweight, being a weight of 112 standard pounds ;
- (g) The standard ton, being a weight of 2,240 standard pounds.

The Committee pointed out that if the above standards had been in force, that might have been a great step forward in facilitating decimalisation of weights and measures apart from reducing certain malpractices in the trade. The Committee felt that in a country like India, in view of the illiteracy of the masses and the bewildering variety of weights and measures in force in various parts of the country, while decimalisation might be kept as the ultimate ideal, it should not be attempted until the country as a whole learned to recognise and adopt one particular set of weights and measures in all commercial transactions. (*Appendix 39.*)

#### REMISSION OF DUTY ON SALT USED FOR INDUSTRIAL PURPOSES.

The Government of India issued a notification on 9th February 1946, remitting the duty imposed under sub-section (1) of section 3 of the Central Excises and Salt Act of 1944, on salt manufactured in, or imported by sea or land into the Province of Bombay, when such salt was used within the Bombay Province or with the special approval of the Central Government in any other place, for any industrial purpose other than the preparation of refined salt or as an ingredient or preservative in any article of food or drink, subject to certain rules. These rules were circulated to members on 18th February 1946.

Rule 13(3) of these rules reads :—

“The key of the store-room shall be available at the premises of the factory to facilitate inspection of the store-room by the officer of the Central Excise Collectorate, Bombay, not below the rank of Range Officer, at any time between the hours of sunrise and sunset, failing which the manufacturer shall be liable to a fine not exceeding rupees one hundred for each occasion the inspecting officer has to return without being able to inspect the store-room.”

The Committee felt that this provision would cause considerable inconvenience to the managements of industrial establishments. In the case of mills in which the working hours of the day did not extend from sunrise to sunset, the storekeeper or the manager would have to be on the mill premises beyond the working hours of the day shift of the mills and even on mill holidays in order to comply with the provisions of this rule. Further, the hours of sunrise and sunset varied with each season of the year. In the circumstances, the Committee suggested that the rule be amended with a view to limiting the hours of inspection to the normal working hours of the industrial establishments concerned. It was felt that the proposed change would not in any way defeat the object underlying the rule. The suggestion was first turned down, but was subsequently accepted and acted upon by Government. (*Appendix 40.*)

## EXEMPTION FOR THE TECHNICAL STAFF OF MILLS FROM SERVING ON THE JURY.

The attention of the Committee was drawn towards the middle of January to the difficulties experienced by mills when some members of their technical staff were called out for service on the jury. The Committee felt that, in the interest of relieving the cloth supply position of the country, the technical staff of the mills should be exempted from service on the jury until such time as the situation improved. Accordingly, a representation was made to the Sheriff of Bombay pointing out that the absence of their technical staff from the mills for service on the jury would handicap the mills in the sense that the effective and continuous technical supervision, which was required to maintain production, would not be available in the productive and process departments for days and even for weeks together. The Committee did not desire that these technicians should be permanently excused from serving on the jury, but that, in view of the shortage of qualified men capable of taking temporarily the place of those who were called out for service on the jury, an exemption might, it was suggested, be granted for a year to the technical staff of the mills, and the position reviewed at the end of that period. The Committee suggested that the following technical staff may be exempted: (a) mill managers and assistant mill managers; (b) departmental heads not below the rank of assistant masters; and (c) mill engineers and assistant engineers.

In response to this representation, the Sheriff of Bombay informed the Association that the mill technical staff mentioned above would not be summoned as far as possible. (*Appendix 41.*)

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## THE BOMBAY SALES TAX ACT.

(*See also pages 43 and 94 of Report for 1945.*)

Reference was made on page 43 of the Association's report for 1945 to the Bombay Sales Tax Bill. The Bill was enacted on 8th March 1946.

Section 6 of the Act provides, *inter alia*, that "taxable turnover" of a dealer does not include his turnover on sales to a registered dealer of goods specified in the purchasing dealer's certificate of registration as being intended for resale by him or for use by him in the manufacture of any goods for sale. A manufacturer can, therefore, get the benefit of the section in respect of raw materials and other goods purchased by him for manufacturing his goods only if he got himself registered as a dealer under the Act. Member mills were, therefore, requested to get themselves registered as dealers in accordance with Rule 6 of the Sales Tax Rules. According to a Government announcement, applications for registration were to be made by 15th August 1946, at the latest, and the tax liability would commence from 1st October 1946.

The form of application for registration and the form of certificate of registration prescribed under the Sales Tax Rules provide for the enumeration of goods used for the manufacture and/or for resale, the sales of which to the dealer concerned, would be free of tax. Cotton spinning and

weaving mills require a variety of millstores, dyes, chemicals, including furnace oil and lubricants for purposes connected with their *bona fide* business. It was not clear whether it was necessary to include in the application a full list of the stores, etc., for getting the benefit of the exemption from the tax, and accordingly, a representation was addressed to the Commissioner of Sales Tax, Bombay, requesting him to clarify the point. His attention was particularly drawn to the fact that, if a full list of mill stores had to be included, such a list would be a lengthy one, consisting perhaps of about 500 to 1,000 items.

In his reply, the Commissioner of Sales Tax requested the Committee to prepare a standard list of classes of goods for this purpose, which could be adopted with suitable variations in individual cases. A list of goods which mills usually purchase for the purposes of manufacture and for sale was accordingly prepared, which was almost entirely accepted by the Sales Tax Commissioner. The list settled with the Sales Tax Commissioner has since been circulated to all members. (*Appendix 42.*)

#### THE INTER-MILL WRESTLING TOURNAMENT, 1947.

In view of the disturbed conditions in the city, the usual Inter-Mill Wrestling Tournament was not held at the usual time.

#### SPINDLE AND LOOM HOURS LOST DURING THE YEAR 1946.

During the year a census of the spindle and loom hours lost due to shortage of labour, strikes, *hartals*, etc., in cotton spinning and weaving mills in the City and Island of Bombay was undertaken, and the loss of production of cloth and yarn following from strikes, *hartals*, shortage of labour, etc., was estimated. The results are given below. For the sake of comparison, corresponding figures for the period 1945 are also given.

	<i>Spindle hours lost.</i>		<i>Loss of production.</i>	
Shortage of labour	{ 1945	212,476,782	Yarn .. {	8,853,199 lbs.
	{ 1946	626,584,353		26,107,681 ..
Strikes, <i>hartals</i> , etc.	{ 1945	364,901,200	Yarn .. {	15,204,216 lbs.
	{ 1946	839,317,957		34,971,581 ..
	<i>Loom hours lost.</i>		<i>Loss of production.</i>	
Shortage of labour	{ 1945	3,662,495	Cloth .. {	21,974,970 yards.
	{ 1946	15,535,196		93,211,176 ..
Strikes, <i>hartals</i> , etc.	{ 1945	7,885,574	Cloth .. {	47,313,444 yards.
	{ 1946	18,048,798		108,292,788 ..

### RAW COTTON STOCKS.

In accordance with the usual practice, a census of stocks of raw cotton held by the cotton spinning and weaving mills in the city and island of Bombay on 28th February 1946 and 31st August 1946, was undertaken by the Association, and the results are summarised below:—

#### Quantity of Raw Cotton in Stock.

Date.	Cotton actually on hand in mill godown		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.)
28-2-1946	498,107	261,650	62,238	31,546	560,345	293,196
31-8-1946	560,136	290,340	45,057	23,073	605,193	313,413

### PIECEGOODS MARKET REPORTS.

During the year, the weekly series of Amritsar Market Reports by Mr. Rama Kant Bhandari were continued, and these, together with the weekly reports submitted by Mr. Jamshed N. Mody on the Bombay Market were sent out regularly to all members of the Association.

### TYPHOID IN BOMBAY CITY.

In view of the large number of typhoid cases reported in Bombay, special arrangements were made for mill operatives to take anti-typhoid injections.

### MEMBERSHIP SUBSCRIPTION.

In accordance with Rule 35 of the Association's Rules and Regulations, the following rates of membership subscription for the year 1947 were

fixed at a special meeting of the Committee held on Monday, 9th December 1946.

	Bombay City and Island (including Kurla.		Up-country.	
	Woollen Mills.	Cotton Mills.	Woollen Mills.	Cotton Mills.
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
For every 1,000 Mule Spindles or part thereof	30 0	17 8	24 0	10 0
For every 500 Ring Spindles or part thereof ..	30 0	17 8	24 0	10 0
For every 50 Looms or part thereof, set up in the mill or mills, factory or factories which, for the time being, shall belong to each member .. .. .	22 8	40 0	18 0	25 0
For every Rs. 10,000 or part of Rs. 10,000 of the cost up-to-date without depreciation, of the plant, buildings and land, of dyeing and/or bleaching and/or printing and/or mercerising factories or departments owned by a member .. .. .	5 0	5 0	4 0	4 0

In the case of minimum subscription, the rates were fixed as under:—

In the case of cotton mills, woollen mills and dyeing and bleaching establishments situated in the City and Island of Bombay and Thana .. .. .	Rs.	750
Do. do. elsewhere in India .. .. .		500
In the case of ginning and pressing factories .. .. .		300

#### STAGGERING OF MILL HOLIDAYS.

Reference was made on page 62 of the Association's report for 1945 to a representation made by the Committee in September 1945 to the Government of Bombay requesting the withdrawal of the scheme of staggering of mill holidays, which was introduced by Government in July 1943. The scheme was, accordingly, discontinued by Government from 1st March 1946.

## MILL HOLIDAYS AND PAY DAYS FOR THE YEAR 1947.

The following mill holidays and pay days, which are in conformity with the provisions of the Indian Factories Act, 1934, and the Payment of Wages Act, 1936, respectively, were recommended by the Committee of the Association for adoption by all Bombay member mills during the year 1947.

MONTH.	DATE.	DAY.	FESTIVAL.	PAY DAY.	
				MILLS EMPLOYING 1,000 OR MORE OPERATIVES.	MILLS EMPLOYING LESS THAN 1,000 OPERATIVES.
JANUARY	1st	WEDNESDAY	<i>New Year Day</i>	} Fri. 10th	} Tues. 7th
	5th	SUNDAY			
	12th	SUNDAY			
	19th	SUNDAY			
FEBRUARY	26th	SUNDAY	<i>Maha Shivratri</i>	} Sat. 8th	} Fri. 7th
	2nd	SUNDAY			
	9th	SUNDAY			
	19th	WEDNESDAY			
MARCH	23rd	SUNDAY	<i>Holi</i>  <i>Gudi Padva</i> <i>Ram Navami</i>	} Mon. 10th	} Wed. 6th
	2nd	SUNDAY			
	6th	THURSDAY			
	7th	FRIDAY			
	8th	SATURDAY			
	16th	SUNDAY			
APRIL	23rd	SUNDAY		} Thur. 10th	} Mon. 7th
	30th	SUNDAY			
	6th	SUNDAY			
	13th	SUNDAY			
MAY	20th	SUNDAY		} Sat. 10th	} Wed. 7th
	27th	SUNDAY			
	4th	SUNDAY			
	11th	SUNDAY			
JUNE	18th	SUNDAY	<i>Lunar Eclipse</i>  <i>Ashadi Ekadashi</i>	} Tues. 10th	} Sat. 7th
	25th	SUNDAY			
	3rd	TUESDAY			
	8th	SUNDAY			
	15th	SUNDAY			
JULY	22nd	SUNDAY		} Thurs. 10th	} Mon. 7th
	29th	SUNDAY			
	6th	SUNDAY			
	13th	SUNDAY			
AUGUST	20th	SUNDAY	<i>Nag Panchami</i> <i>Narali Purnima</i>  <i>Gokul Ashtami</i> <i>Ganesh Chaturthi</i> <i>Gowri Visarjan</i> <i>Anant Chaturdashi</i>	} Sat. 9th	} Thur. 7th
	27th	SUNDAY			
	3rd	SUNDAY			
	10th	SUNDAY			
	17th	SUNDAY			
SEPTEMBER	21st	THURSDAY	<i>Sarid Piri Amavasya</i> <i>Dasara</i>	} Fri. 10th	} Tues. 7th
	28th	SUNDAY			
	7th	SUNDAY			
	14th	SUNDAY			
	18th	THURSDAY			
OCTOBER	22nd	MONDAY	<i>Diwali</i>	} Mon. 10th	} Fri. 7th
	29th	MONDAY			
	5th	SUNDAY			
	14th	TUESDAY			
	19th	SUNDAY			
	24th	FRIDAY			
NOVEMBER	2nd	SUNDAY		} Wed. 10th	} Sat. 6th
	12th	WEDNESDAY			
	13th	THURSDAY			
	14th	FRIDAY			
	23rd	SUNDAY			
DECEMBER	30th	SUNDAY		} Wed. 10th	} Sat. 6th
	7th	SUNDAY			
	14th	SUNDAY			
	21st	SUNDAY			
	28th	SUNDAY			

**TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT**

For purposes of record, the Indian Customs Tariff, Schedules I and II, appended to the Indian Tariff Act, XXXII of 1934 (as in operation on 1st January 1947) showing the rates of customs duties including the additional duties leviable under the Indian Finance Act, 1947, and the Cotton Textile Fund Ordinance, 1945, on goods imported into and exported from British India together with (1) the tariff values fixed, and (2) the rates of duty leviable on articles produced or manufactured in Burma during the twelve months January to December 1947, are reproduced in full in *Appendix 43*.





**THE MILLOWNERS' ASSOCIATION, BOMBAY.**

Dr.

*Income and Expenditure Account for the year ended on the 31st December, 1946.*

Cr.

EXPENDITURE.			Rs.	a.	p.	Rs.	a.	p.	INCOME.			Rs.	a.	p.	Rs.	a.	p.
To	Establishment		67,784	11	0				By	Subscriptions for 1946		2,50,844	4	0			
"	Dear Food Allowance		22,047	1	0				"	Additional Subscriptions for 1946		608	6	0			
"	Conveyance Allowances to Secretary, Assistant Secretary, Labour Officer and Assistant Labour Officer		3,660	0	0				"	Miscellaneous Receipts		3,690	4	0			
"	Preparation of Monthly Import and Export Statistics for 1946		1,977	12	9				"	Interest on Investments of General Fund, etc. (including interest accrued Rs. 2,969-13-0)		20,822	13	11			
"	Preparation of Statistics for the Bombay Cotton Mill Industry for 1945		500	0	0												
"	Office Rent		3,483	6	0												
"	Printing Statistical Returns, Mill Statement for 1946, and Annual Report for 1945, etc.		6,701	3	0												
"	Stationery		2,868	2	0												
"	Advertisements		1,221	7	0												
"	Fact Advertisements		63,963	15	4												
"	Books and Periodicals		1,205	9	6												
"	Auditors' Fees		500	0	0												
"	Telephones		1,602	12	0												
"	Electric Lights and Fans		1,900	14	0												
"	Law Charges		1,397	0	0												
"	Furniture and Fixtures		145	12	6												
"	Petty Charges, Sundry expenses including Postage and Telegrams		3,036	5	0												
"	Association's Contribution to Provident Fund		4,994	14	0												
"	Membership subscription to the Employers' Federation of India, the Textile Institute, the Royal Asiatic Society and the Indian Institute of Art in Industry, for 1946		2,368	2	0												
"	Income-tax on interest on Securities for 1944-45	Rs. a. p. 6,681 7 9															
	Less—Refund for 1944 account	2,180 1 0															
	" for 1945	2,398 0 0															
	" from Brokers on purchase of Securities	198 14 6	4,756	15	6												
			1,924	8	3												
"	Bonus to Staff		15,371	3	0	2,08,654	10	4									
"	Contributions for the year to :—																
	The Victoria Jubilee Technical Institute		2,500	0	0												
	" Police Comforts Fund		1,000	0	0												
	" Textile Technical School		700	0	0												
	" Sir J. J. Hospital Nursing Association Fund		500	0	0												
	" K. E. M. Hospital Poor Box Fund		400	0	0												
	" Naigaum Social Service Centre		350	0	0												
	" Bombay Textile and Engineering Association		200	0	0												
	" Goculdas Tejpal Hospital Nursing Association Fund.		200	0	0												
	" Maharashtra High School		250	0	0												
	" Bombay Municipality (for the purchase of an Ambulance)		11,000	0	0												
"	Balance, being excess of Income over Expenditure, carried to Balance Sheet					17,100	0	0									
						50,211	1	7									
	Total Rs.		2,75,965	11	11	Total Rs.						2,75,965	11	11			

83

Examined and found correct.

BOMBAY, 29th April, 1947.

A. F. FERGUSON & CO.,

*Chartered Accountants,*

*Registered Accountants,*

*Auditors.*

N. S. V. AIYER,

*Secretary.*

**THE MILLOWNERS' ASSOCIATION PROVIDENT FUND.**

*Statement of Funds for the year ended on the 31st December, 1946.*

PROPERTY AT OPENING AND RECEIPTS	Rs. a. p.	Rs. a. p.	Rs. a. p.	PROPERTY AT CLOSING.	Rs. a. p.	Rs. a. p.
<i>Funds as at 1st January, 1946 .. .. .</i>		81,740 9 5		<i>Investments held at Cost :—</i>		
<i>Contributions received from members during 1946 .. .. .</i>	5,149 14 0			<i>Face Value.</i>		
<i>Contributions from the Association for 1946 ..</i>	4,994 14 0			<i>Rs.</i>		
<i>Interest (including interest accrued Rs. 987-8-0) ..</i>	3,690 0 0			4 per cent. Government Loan, 1960-70 ..	70,500	70,082 8 0
<i>Less—Bank Charges ..</i>	9 9 6			3 per cent. Government Loan, 1963-65 ..	14,000	13,833 12 0
	3,680 6 6	13,825 2 6		3 per cent. Government Loan, 1951-54 ..	5,000	5,031 4 0
		95,565 11 11		3 per cent. 1st Development Loan, 1970-75	6,000	5,902 8 0
<i>Less—Claims paid .. .. .</i>	1,330 9 6			3 per cent. Government Loan, 1966-68 ..	6,500	6,849 6 0
<i>„ Claims forfeited .. .. .</i>	1,130 3 6	2,460 13 0			1,02,000	1,01,699 6 0
<i>Lapses and Forfeitures :—</i>			93,104 14 11			
<i>Balance as per last statement .. .. .</i>		14,352 14 5		<i>(Market value of these securities was Rs. 1,14,333-7-0 on 31st December, 1946.)</i>		
<i>Add—Amount forfeited during the year .. .. .</i>		1,130 3 6		<i>Advance to Members .. .. .</i>		91 2 0
<i>Suspense—Mr. C. R. Viswanathan's amount .. .. .</i>			15,483 1 11	<i>Interest accrued on the above securities .. .. .</i>		987 8 0
			29 14 6	<i>Cash with the Imperial Bank of India on current account ..</i>		5,839 9 4
<i>Total Rs. ..</i>		1,08,617 15 4		<i>Total Rs. ..</i>		1,08,617 15 4

84

Examined and found correct.

BOMBAY, 29th April, 1947.

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

N. S. V. AIYER,  
Secretary.

**Report for the Year 1946.**

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***Section III.***

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**CORRESPONDENCE.**

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**APPENDICES 1—43.**

## APPENDIX 1.

## BOMBAY PORT TRUST.

## ASSOCIATION'S REPRESENTATION ON THE BOARD OF TRUSTEES.

*Copy of letter No. 10784, dated 24th December 1946, from the Acting Secretary of the Bombay Port Trust to the Association.*

I am directed to invite reference to section 6 of the Bombay Port Trust Act, 1879, by which your Association is required to elect one Trustee for a period of two years on the Board of Trustees of the Port of Bombay.

I am to say that the Government of India are considering a general revision of the Port Trust and Port Acts.

In this connection, they consider that more adequate representation should be given to Indian commercial interests on the Port Trust Boards, and they have consequently invited the suggestions of the Port Trust in regard to the matter.

I am now to request you kindly to intimate to this Administration the views of your Association in the matter as early as possible.

*Section 6 of the B.P.T. Act, 1879.*

6. (1) The elective-trustees shall be elected as follows :—  
 five by the Bombay Chamber of Commerce,  
 five by the Indian Merchants' Chamber and Bureau,  
 two by the Municipal Corporation of the City of Bombay, and  
 one by the Bombay Millowners' Association.

(2) The election shall be held in such manner as shall from time to time be determined by the electing bodies convened in accordance with the rules at the time in force in this behalf.

(3) The Secretary of every electing body shall make a return to the Central Government of the name of every person so elected by such body and his return shall be published in the official *Gazette*.

(4) In the event of default being made by any electing body in electing a trustee under the foregoing provisions within the period hereinafter prescribed in this behalf, it shall be lawful for the Central Government by notification in the official *Gazette* to nominate a person, and the person so nominated shall be deemed to be a trustee as if he had been duly elected.

*Copy of letter No. 257, dated 11th January 1947, from the Association to the Acting Secretary, Bombay Port Trust.*

I am directed to acknowledge the receipt of your letter No. 10784 dated the 24th December 1946, in which you request my Committee to express an opinion on a proposal to grant more adequate representation to Indian commercial interests on Port Trust Boards. The Committee of the Association welcome the proposal. They know that at present the Bombay Chamber of Commerce and the Indian Merchants' Chamber have been granted five representations each, whereas this Association has been granted only one seat. In view of the stake which members of this Association have in Bombay City and the Bombay Province, the Committee consider that increased representation should have been given to this Association on the Board, and they request that, in future, this Association be conferred two seats on the Board of Trustees.

Mr. Bhagwandas C. Mehta, the Acting Chairman of the Association, desired to meet the Chairman of the Board of Trustees this week-end for an informal discussion of this

question, but it was understood that your Chairman was out of Bombay and would not be coming back till Monday, the 13th January. Unfortunately, Mr. Bhagwandas would be leaving Bombay on the 13th morning in connection with an urgent engagement in Delhi, but he will certainly call on your Chairman some time after his return on Thursday, the 16th January 1947.

*Copy of letter No. 257, dated 25th January 1947, from the Acting Chairman of the Association to the Chairman, Bombay Port Trust.*

With reference to the interview that I had with you at your office last Saturday, I have been turning the matter over in my mind, and I think that I should perhaps bring the following to your notice.

I have since gone into the figures of the import and export trade done through the Chief Port of Bombay, and set forth below my analysis of the situation.

I have taken the years 1935-36 to 1939-40. In this period, the total value of import and export trade, which could directly be attributed to the existence of the cotton industry in Bombay amounted to an average of 18 crores of rupees per year. For ready reference, the items I have taken into this calculation are :—

*Imports.*—Bobbins; bleaching materials; china-clay; dyes; pickers; picking bands; cotton textile machinery; shuttles; fuel oils; tallow and stearine; cotton raw; hoops and strips; starch dextrine and farina; artificial silk yarn.

*Exports.*—Cotton piecegoods and yarns.

In addition to the above, there are several other items of imports, which, though not entirely consumed by the cotton textile industry, are yet required to a very large extent for use in the cotton mill industry. Such items are: Beltings; chemicals including acids; caustic soda; coal and coke; all electrical materials, etc., etc.

Without, however, taking into account the value of the items referred to in the immediately preceding paragraph, the value of items directly concerned with the cotton textile industry, namely, Rs. 18 crores is about 19 per cent. of the total trade (exclusive of treasure) done in the Chief Port of Bombay, which amounts to Rs. 98 crores.

Perhaps you would be inclined to say that, generally speaking, mills do not directly import the articles mentioned above, but I trust that you will agree that the textile mills being the ultimate consumers or users of these, they have a justifiable case for adequate representation.

I venture to express the hope that you would perhaps be inclined to support our case for increased representation on the Board of Trustees.

## APPENDIX 2.

### FIRE INSURANCE RATES FOR COTTON MILLS.

#### ALLOWANCES FOR FIRE EXTINGUISHING APPLIANCES.

*Copy of letter No. 5514/7, dated 18th December 1945, from the Bombay Fire Insurance Association to the Association.*

I refer to my letter No. 5514/5, dated 1st ultimo\* and am directed to inform you that the matter has now had the careful consideration of my Committee in consultation with sister Associations in India.

At the outset I am to emphasise that there is a marked difference between the fire-fighting protection required for A.R.P. purposes and that required for protection against ordinary fire wastage. The one is designed to give protection against an eventuality which can be said to be expected at a given time, i.e., after an air raid warning has sounded; the other is designed against an eventuality which may happen at any moment but which may not occur for years or may never occur. Therefore, the equipment which may be very effective for A.R.P. purposes may not be—and in the opinion of insurance interests, in fact, is not—as effective in dealing with ordinary fire wastage.

There are two main types of A.R.P. equipment: the stirrup pump and the trailer pump.

The former is essentially a means of first aid and it is useful only in the very initial stages of a fire. By reason of the protection against an incendiary bomb which it has to give to the operator, it is somewhat cumbersome of construction and although it would doubtless be brought into operation very quickly by operators prepared for just such an emergency, it is not thought that in the sudden emergency of an ordinary fire it would be as effective as the nest of water buckets and extinguishers required by the Insurance Rules.

The trailer pump is designed to combat a more serious fire. In skilled hands, provided it is of sufficient capacity, it can be very effective but its mechanism is complicated and it requires continual maintenance by personnel having knowledge also of internal combustion engines; adequate petrol supplies must also be readily available.

My Committee agree that certain advantages may accrue to unprotected factories by A.R.P. measures which have been adopted, but they do not consider there is any justification for a revision in the allowances at present in force for approved fire-fighting equipment. War-time conditions, such as congestion, inadequate supervision, unskilled labour and pressure of work have considerably increased the risk of fire, for which no additional premium has been charged by the insurance companies, and my committee are of the opinion that, generally speaking, the A.R.P. arrangements which have been made will not offset the additional hazard involved. Advices have been received from London and the United States which show that in spite of the extensive additional equipment installed to meet war-time conditions, the war-time conditions themselves have led to an appreciable increase in fire wastage.

Finally, it is perhaps of interest to mention that, despite the extensive A.R.P. equipment installed, experience in England has shown that there has not been any appreciable reduction in fire wastage.

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*Copy of letter No. 75, dated 5th February 1946, from the Association to the Bombay Fire Insurance Association.*

I am directed to acknowledge the receipt of your letter No. 5514/7, dated the 18th December 1945, and to enquire whether a small sub-committee of your Association would be prepared to meet a sub-committee consisting of four or five members of this Association for an informal discussion of the subject covered by your letter No. 5514/7, dated the 18th December 1945.

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*Copy of letter No. 5514/9, dated 7th February 1946, from the Bombay Fire Insurance Association to the Association.*

I acknowledge receipt of your letter No. 75, dated 5th instant and am directed to inform you that my Committee doubt whether any progress from your members' point of view would be made in this matter by discussion.

They are not, however, unwilling to meet your sub-committee and will be glad to do so if it is still considered useful after perusal of the following further points.

It must be borne in mind that the circumstances under discussion are by no means peculiar to Bombay but are in fact common to most of the countries in which insurance

companies members of this Association are interested and, before it could succeed, your case would involve not only consideration on a very wide basis but reversal of a decision already firmly established in countries most affected.

It should also be noted that the appliances in question have acquired no new utility for ordinary fire-fighting by reason of the mere elimination of the emergency risk with which they are designed to cope.

With regard to the appliances themselves the work involved in ensuring that they are at all times in efficient condition would involve an enormous addition to the work of our inspection service covering as it would, exceptional lengths of hose, batteries, stocks of petrol and even tyres. The situation of ground reservoirs and the testing of trained personnel would also require constant checking.

In addition to the arguments put forward in my letter of 18th December 1945, to show the unsuitability of this type of equipment except in cases of emergency when the main source of water supply has been put out of action, my Committee feel that the contents of this letter leave little room for discussion.

They repeat, however, that if a meeting is still desired they will be happy to receive your sub-committee by arrangement.

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### APPENDIX 3.

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#### WAR RISK INSURANCE SCHEMES (GOODS AND FACTORIES).

##### COVER AGAINST RISK OF EXPLOSION OR FIRE FROM EXPLOSIVES, ETC.

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*Copy of letter No. 145, dated 3rd October 1945, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.*

I am directed to address you in connection with Government War Risks (Factories) Insurance Scheme and the War Risks (Goods) Insurance Scheme which, according to a press note issued by Government on 30th August 1945, terminated from 1st September and 1st October 1945, respectively.

My Committee admit that the termination of the schemes was the logical outcome of the termination of hostilities, but it is pointed out that though the war is over there still remain very large quantities of ammunition and other war materials accumulated in various parts of India and the Far East which, it is understood, will shortly be removed and taken back to U.K. and/or U.S.A. The removal of such war materials some of which are likely to be of a highly explosive nature, entails certain amount of risk, especially when the ships loaded with such materials are in a harbour like Bombay. With the lessons of the recent explosion in the Bombay Docks fresh in our minds, it is submitted that in the unfortunate event of another explosion arising from ammunitions in course of transit, Government would be unable to pay any compensation as the amounts to the credit of the War Risks Insurance Schemes would have already reverted to the general revenues. In this view of the case, my Committee desire to submit that Government should guarantee cover against such risks without charging any premium.

It is very difficult to say at this stage for what period Government should cover risks of the type referred to, for the reason that the removal of dangerous war materials depends to a very large extent on the availability of shipping space, but taking a very reasonable view of conditions as they obtain to-day, it is suggested that the cover may be given for an initial period of 24 months from 1st October 1945.

The Committee of the Association would greatly appreciate it if Government would indicate their reactions to this suggestion.

*Copy of letter No. 43-W.R.I. (38)/45, dated 5th January 1946, from the Assistant Secretary to the Government of India, Department of Commerce, to the Association.*

I am directed to refer to your letter No. 145, dated the 3rd October 1945, in which you have suggested that notwithstanding the termination of the War Risks (Factories) Insurance Scheme and the War Risks (Goods) Insurance Scheme, cover against risks of explosion or fire from explosives or munitions required for war purposes should be provided free by Government for a further period of 24 months.

2. In reply I am to say that the Government of India have given the matter their careful consideration but regret they are unable to agree to your suggestion.

*Copy of letter No. 145, dated 13th March 1946, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.*

I am directed to refer to the correspondence resting with your letter dated the 5th January 1946. My Committee note that Government are unable to accept the suggestions made by this Association; but bearing in mind the fact that substantial quantities of war material still remain to be transmitted from India, they strongly feel that Government should at least give an assurance to the effect that damage if any arising from explosion or fire from explosion of war materials would be met by Government.

*Copy of letter No. 43-W.R.I.(38)/45, dated 31st May 1946, from the Assistant Secretary to the Government of India, Department of Commerce, to the Association.*

With reference to your letter No. 145, dated the 13th March, 1946, I am directed to say that the Government of India have carefully considered the matter but regret that they are unable to give an assurance that loss or damage, if any, arising out of explosion or fire from explosives or munitions required for war purposes, will be compensated by Government.

*Copy of letter No. 145, dated 26th July, 1946, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.*

*Subject:—COMPENSATION FOR LOSS ARISING OUT OF EXPLOSION OR FIRE OF WAR MATERIALS.*

I am directed to acknowledge the receipt of your letter No. 43-W.R.I.(38)/45, dated the 31st May 1946, on the above subject, and to state that my Committee regret that it has not been possible for Government to accept the suggestion made by them. Government have not perhaps sufficiently appreciated the gravity of the situation. It is understood that substantial quantities of ammunition and other dangerous war materials still remain to be transported from various parts of India and Far East to the U.K. and U.S.A. This process necessarily entails grave risk of damage arising from fire or explosion, which my Committee strongly feel Government should undertake to cover, if necessary. My Committee would, therefore, urge that Government might reconsider the matter.

#### APPENDIX 4.

#### REPORT OF THE POST-WAR PLANNING COMMITTEE ON THE EXPANSION OF THE COTTON TEXTILE INDUSTRY.

*Resolution No. 205-TA/45, dated 4th May, 1946, issued by Government of India, Department of Industries and Supplies.*

In February 1945, the Government of India appointed a Committee to prepare a plan for the development of the Indian cotton textile industry. Their Report, submitted in November 1945, is now published for general information.

2. The Government of India wish in the first place to congratulate the Committee on a notably clear and able report which will contribute greatly to the understanding of the problems of this great industry, and to express their gratitude for the public spirit as well as the competence shown by the Committee.



The Government of India are in substantial agreement with the Committee and the differences of view on certain aspects discussed below do not affect the fundamental scheme for expansion which the Committee have proposed.

3. The Government of India agree with the Committee that for the next few years it will not be possible to procure enough machinery to support an expansion of more than 1,700 million yards per annum of cloth. Like the Committee, the Government of India would have preferred a greater expansion, but on a consideration of the probable availability of textile machinery in the near future there is no alternative but to plan for the present on the basis of the target recommended by the Committee. The plan will, in the present circumstances, be an interim plan and it is the intention of the Government of India to review it when world economic conditions or other circumstances make a review desirable.

4. The Committee recommend in essence that expansion should be distributed all over India. With this recommendation the Government of India are in entire agreement, and they have accepted with some minor modifications the detailed suggestions of the Committee for the allocation of new spindleage in the various zones. The annexure to this Resolution shows the final detailed allocation decided upon. In addition to the allocation shown in this annexure, it is proposed to allot some 1,30,000 spindles for the purpose of expansion of small mills in various States in the South Deficit Zone and in the Rajputana Deficit Zone.

5. The Committee have taken the view that the amount of "free" yarn at present available from India's mill production is adequate for the needs of handloom weavers and other consumers of yarn. The Government of India, however, think it necessary to ensure increased supplies of yarn for handloom weavers and other consumers, and have to this end directed that at least 25 per cent. of the new spindles installed shall be left uncovered by looms. Each British Indian Province and Indian State would of course, be the best assessor of its own exact needs, and the Government of India propose therefore that the Provinces and States may, if so advised, reserve a larger spindleage for such purposes.

6. The Committee have recommended a reduction in the duty of foreign cotton, and a full rebate of import duty paid on cotton for the benefit of India's export trade. The Government of India do not consider that these measures are justified in the present non-competitive conditions of world trade; but they will review the matter on the lines recommended by the Committee when competitive conditions return, in order that the Indian export trade may be enabled to compete in world markets on equal terms with other countries.

7. The Committee recommend in paragraph 9 of their Report that the import of second-hand productive machinery should be prohibited. Since it will be some years before India can produce enough cloth for her own requirements, the Government of India have not been able to accept this recommendation; they will allow import licences for second-hand productive machinery for the present if they are fully satisfied that the machinery in question will be serviceable for a reasonable period and suitable for economic production.

8. The Committee have recommended that import of certain machinery should be permitted freely from any country in the world. Having regard to existing currency difficulties, the Government of India consider that import of plant from countries in respect of which they exist should be permitted only when there is reason to believe that the plant will be delivered appreciably earlier or will be considerably cheaper or better than if obtained from the sterling area.

9. The Committee have recommended that where the replacement of existing by new plant is allowed, the replaced plant should be scrapped. While the Government of India appreciate the force of the Committee's recommendation on this point, they cannot see their way, in the present conditions of cloth shortage, to accepting it *in toto*. But they will urge on Provincial and State Governments the desirability of preventing the use by mills of inefficient and uneconomic plants.

10. In paragraph 23(c) of their Report, the Committee recommend that applications for import licences received after 30th September 1945, should be excluded. The Government of India have not accepted this recommendation because they feel that the relevant Press advertisements did not come in good time to the attention of all industrialists concerned.

11. The Committee have modified the recommendation made in paragraph 24 of their Report, and now recommend that the Government of India should indicate to manufacturers that priority should be given to orders for expansion and new mills over orders for replacement of existing machinery. The Government of India accept this recommendation.

12. The Committee have pointed out in their Report that the present prices of textile machinery manufactured by firms in the United Kingdom are high. The Government of India agree that this is so, and will endeavour to obtain a reduction in those prices.

13. Subject to what is contained in this Resolution, the Government of India accept the recommendations made in the Committee's Report.

## ANNEXURE.

Zone.	Provinces and States.	Fine spindles.	Coarse spindles.
Bombay Surplus Area	Bombay Presidency	114,000	..
	Baroda	38,000	..
	Nawanagar	..	25,000
	Junagadh	..	25,000
	Bhavnagar	..	25,000
	Cambay	19,000	..
Sind Zone	Sind Province	..	75,000
	Khairpur	..	25,000
Punjab Zone	Punjab Province	114,000	323,000
	Delhi Province	..	..
	N. W. F. P.	..	..
	Bahawalpur	..	50,000
	Nabha	..	25,000
	Kapurthala	..	25,000
United Provinces Zone	United Provinces	114,000	150,000
	Benares State	..	25,000
Bihar Zone	Bihar Province	38,000	175,000
Bengal Zone.	Bengal Presidency	125,000	200,000
	Assam Province	100,000	..
	Seraikala	..	25,000
Orissa Zone	Orissa Province	19,000	100,000
	Mayurbhanj	..	25,000
Central Provinces Zone	Central Provinces	76,000	75,000
	Rewa	..	25,000
South Zone	Madras Presidency	152,000	200,000
	Hyderabad	19,000	50,000
	Mysore	19,000	25,000
	Travancore	..	50,000
	Cochin	..	25,000
	Pudukottah	..	25,000
Rajputana Zone	Gwalior	19,000	..
	Bharatpur	..	25,000
	Bikaner	..	25,000
	Dholpur	..	25,000
	Alwar	..	25,000
	Palanpur	19,000	..
Total	885,000 fine spindles. 1,873,000 coarse spindles. 100,000 for Assam, coarse and fine together.		
	2,858,000		

## APPENDIX 5.

### EXPORT TRADE IN COTTON PIECEGOODS AND YARN DURING THE POST-WAR PERIOD.

*Copy of letter No. 48, dated 18th December 1945, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.*

I am directed by the Committee of the Millowners' Association, Bombay, to refer to certain discussions which they had towards the end of July with Mr. K. G. Menon, the then Chief Controller of Exports, regarding the export policy of the Government of India in respect of cotton piecegoods and yarn. It was suggested during the course of the discussions that a representation incorporating the views of the Association regarding the export trade in general and the names of countries with which the members of the Association would like to continue business in the post-war period might be sent to the Government. The Committee of the Association had subsequently occasion to examine the recommendations made by the *Ad Hoc* Sub-Committee appointed by the Export Committee of the Textile Control Board in regard to the allocation of the export quota to various countries, and they desire me to communicate the following views to Government.

At the outset the Committee desire to refer to the recent reduction in India's total global export quota from 600 to 400 million yards per annum. In view of the fact that the war has come to an end sooner than was expected, the Committee hold the view that there is a case for the immediate restoration of the cut in the exports made by Government. With the termination of hostilities, the industry has been confronted with several problems, of which one is the reopening of the industry's overseas markets in Burma, Malaya, Dutch East Indies, etc. These markets have in pre-war years been absorbing considerable quantities of Indian piecegoods and yarn, and if India fails to supply a reasonable part of their requirements at this juncture, it is very likely that they will turn elsewhere, to the permanent disadvantage of India. The Association, therefore, suggests the immediate restoration of the cut in the quota made by Government some time ago.

In regard to the countries in which the Committee would desire the export trade to develop, while the Association would ordinarily like to retain for India the custom of all countries bordering on the Indian Ocean, I am to draw Government's attention to the following resolution recently passed at a meeting of my Committee which sets forth the principles which my Committee desire to be followed :—

“ It was agreed that the point of view of the Association might be defined as under :—

- (a) Firstly, that manufacturers in India recognised that the people of this country had the first claim on the manufactures of the Indian cotton textile industry ;
- (b) Secondly, consistent with (a), they desired exports to be permitted only to those countries which were likely to maintain trade relations with India in the post-war period ; and
- (c) Thirdly, they desired exports to be permitted only to those countries which were :
  - (i) not discriminating against Indian nationals residing in those countries ;
  - (ii) supplying foodgrains, raw materials, etc., to India on terms not less favourable than those accorded to any other country ; and
  - (iii) controlling effectively prices of cotton manufactures within their territorial limits.

Bearing the principles underlying the resolution referred to and bearing in mind the cloth supply position within India itself, my Committee have carefully examined the proposals submitted by the *Ad Hoc* Export Sub-Committee for the allocation of the export quota to various countries, (a) with the present maximum of 400 million yards, and (b) with the maximum increase of 600 million yards, and I am desired to point out that the Association

is in complete agreement with the figures put forward by the *Ad Hoc Export Sub-Committee*. There is only one suggestion which they would like to make, and that is the figure for Egypt might be slightly increased.

When the cloth supply position within this country improves, the Committee of the Association would like to be in a position to be afforded all reasonable facilities by Government to increase the industry's export markets. One of the difficulties which the industry has been experiencing in connection with the development of its foreign markets is the import duty which it has to pay on raw cotton and various stores and other materials imported into India from overseas. These duties naturally increase the cost of production and adversely affect the industry's competitive position in overseas markets *vis-a-vis* manufactures from other countries. In this view of the case, the Association would strongly recommend a rebate or subsidy from Government equivalent to an amount which would offset the duty paid by the industry on the raw materials and stores used in the manufacture of cotton piecegoods and yarn exported overseas.

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*Copy of letter No. 67-CW (21)/45, dated 3rd May 1946, from the Under Secretary to the Government of India, Department of Commerce, to the Association.*

*Subject—EXPORT OF COTTON PIECEGOODS AND YARN FROM INDIA.*

I am directed to invite a reference to your letter No. 48 dated the 18th December 1945, on the above subject, and to observe as follows :—

(1) *Export quota for cotton textiles* : Your Association's views have been noted by the Government of India.

(2) *Recommendations of the Ad Hoc Export Sub-Committee* : The principles underlying their resolutions have been given due consideration while sub-allocating cloth quotas to various destinations.

(3) *Grant of rebate* : Government have already accepted in principle the grant of such a rebate of duty in respect of import of cotton used in the cotton manufactures exported and suitable action would be taken when it is actually found necessary to inaugurate the rebates.

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## APPENDIX 6.

### FIXING OF EXPORT QUOTAS OF PIECEGOODS ON A SQUARE YARD BASIS.

*Copy of letter No. P.C. 18003/45W, dated 29th December 1945, from the Export Trade Controller, Bombay, to the Association.*

The Government of India are, at present, considering the question of fixing export quotas of cotton piecegoods on a square yard basis instead of on a lineal yard basis as at present. It appears that, apart from the advantages of the higher export prices, exporters have been anxious to obtain wide material for export, because the export quotas are in lineal yards and a greater area of cloth can be exported in the wide width than would be possible in the average trade widths. It is also probable that certain mills with exporting connections are being influenced when allocating their loomage to give preference to cloth for export produced on looms which might otherwise be available for *saris*, etc. I request that you will be so good as to let me have the considered views of your Association on the question raised by the Government of India.

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*Copy of letter No. 48, dated 14th January 1946, from the Association to the Export Trade Controller, Bombay.*

I am directed to acknowledge the receipt of your letter, P.C. No. 18003/45W, dated the 29th December 1945, in which you have requested the views of the Association on the question of fixing export quotas of cotton piecegoods on a square yard basis instead of on a lineal yard basis as at present.

The Association has since been able to ascertain the views of certain mills which are interested in export trade, and on a careful consideration of the whole position, it transpires that the proposal is not acceptable for the following, among other, reasons:—

(1) In the first instance, the quota scheme has been functioning for a fairly long period, and it would upset the whole practice and procedure if a change is introduced at this juncture.

(2) The import licensing system in countries where such systems exist, are based on the lineal yard basis. In this connection, it may be stated that Australia, which had a square yard basis, has changed over to the lineal yard basis. Any change now would naturally affect the established trade relations between India and these countries.

(3) The suggestion contained in your communication, viz., that the existence of an export quota on a lineal yard basis has resulted in the export of cloth of wider widths and that, in consequence, there has been a shortage in the available wider width looms for making *saris*, etc., is not maintainable. It will, no doubt, be appreciated that cloth is generally sold to overseas markets according to the special requirements of each market, and as long as manufacturers and exporters seek to export cloth in widths, which are usually in demand, it can hardly be said that either the exporters or the manufacturers give preference in the matter of widths for cloth meant for exports. Moreover, the number of looms to be run on *dhotis* and *saris* by each mill is determined and fixed in accordance with the control regulations in force. Therefore, it cannot be stated that the present basis of export quota affects in any way the availability of wider width looms for manufacturing *dhotis* and *saris*.

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## APPENDIX 7.

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### PROTECTION TO COTTON TEXTILE INDUSTRY—TARIFF BOARD INQUIRY.

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*Copy of letter No. TB/G/42, dated 24th December 1946, from the Member-Secretary, Indian Tariff Board, Bombay, to the Association.*

The cotton textile industry is one of the protected industries. The period of protection of the industry expired during the early years of the war but it has been extended from time to time, the last extension agreed to by the Legislature being due to expire on the 31st March 1947. Government is examining the question as to what should be done in respect of continuation of protection beyond the 31st March 1947 and will have to bring the necessary legislation before the forthcoming budget session of the Central Legislature. It is obviously impossible to make, within the time available, a detailed investigation into the claim of the industry to continued enjoyment of protection, but at the same time, a summary examination has to be made to determine the interim action to be taken pending a fuller examination in the context of normal circumstances. The matter has been referred to the Tariff Board which has been asked to have a summary discussion with the representatives of the industry and other interested parties and to make recommendations with due regard to the interests of both manufacturers and consumers. The Board has, therefore, decided to convene a conference of the affected interests in its office in Contractor Building, Nicol Road, Ballard Estate, Bombay, about the middle of January, the exact date being notified later. You are requested to co-operate with the Board in this inquiry and to send one or two representatives with authority to speak on behalf of your Association.

2. The points for consideration will be roughly:—

(a) whether the existing measure of protection to the cotton textile industry should be continued, withdrawn or kept in abeyance in view of the absence of import of cotton cloth on a large scale or the establishment of the industry on a firm footing under the shelter of protection;

- (b) if it is considered that the protection should be continued, whether it should be continued at the existing level, or should be modified and what the modifications should be, and particularly where reductions in the existing tariff rates could be made without detriment to the home industry;
- (c) could any distinction be made in the different varieties of cloth in respect of some of which the protection might be kept in abeyance and in respect of others the duties might be continued though at lower rates;
- (d) what action should be taken as regards detailed examination of the position of the industry from the point of view of necessity or otherwise of protection as a long-term measure; and
- (e) any other point arising out of the reference which the conference may wish to bring up for consideration and for being brought to the notice of Government.

3. Discussion at the conference will be greatly facilitated if your Association will, on receipt of this letter, formulate its considered views on the points mentioned in the preceding paragraph and let the Board have a memorandum embodying the same. A dozen copies of the memorandum are required for circulation and consideration by the Board.

4. For obvious reasons the Board wishes to have this conference as small as possible. Besides representatives of the Associations mentioned above, the Board has invited the Chairman of the Textile Control Board and a few individuals having intimate knowledge of the problems, difficulties and requirements of this industry in the different important centres such as Bombay, Ahmedabad, Cawnpore, Madras and Delhi.

5. Receipt of this letter may please be acknowledged and names of representatives who will appear on your behalf may be intimated together with their full Bombay address including Bombay telephone numbers.

*Copy of letter No. 404, dated 10th. January, 1947, from the Association to the Member-Secretary, Indian Tariff Board, Bombay.*

I am directed to acknowledge the receipt of your letter No. TB/G/42, dated the 24th December 1946, in which you refer to certain matters connected with the question of protection granted to the Indian cotton textile industry.

2. The Committee of the Association regret that, in the extremely short time which has been allowed to them, it has not been possible to give this matter the consideration and attention it deserves. Moreover, the Association has been, throughout the last few weeks, so fully occupied with certain matters which were pending before the Industrial Court and which required the continuous attendance in that Court of its spokesmen, that it was practically impossible to undertake anything like a detailed or exhaustive examination of the whole question. In deference, however, to the wishes of your Board, the various issues arising out of the reference have been analysed as fairly as can be done in the short time at our disposal, and I set forth below my Committee's reactions:

3. My Committee's analysis of the present situation yields the following results:—

- (a) Though the war has ended, the abnormal conditions which it has brought about, still continue.
- (b) There is at present an overall world shortage of cloth. The prominent overseas competitors of the Indian cotton textile industry have their own difficulties to overcome, or have already undertaken other commitments.
- (c) Imported cottons, like East Africans and Sudans, are obtained by mills through Government at fixed prices. Prices of cloth are controlled by Government. Certain important items of stores like fillets, pins, etc., are also controlled.

(d) Cost of production of Indian mills to-day is very much more than it was when the quantum of protection was fixed up, and these costs will be further increased in the near future due, among other reasons, to certain labour welfare measures which are at present pending before the Central Legislature or are under consideration of Government.

4. In view of these considerations, it is suggested that the current level of protection be continued for a period of two years, i.e., till March 1949, and the question be reviewed at the end of 1948 if, by that time, the industry makes an application for an extension of protection. This suggestion is made in the sincere hope that conditions in 1948 would be nearer normality than 1946-47.

5. In reply to the specific questions raised in paragraph 2 of the Board's communication, I am desired to state:—

2(a) : The existing measure of protection should be continued.

2(b) : Yes, at current levels.

2(c) : Does not arise.

2(d) and 2(e) : The present level of protection should be continued till the end of March 1949. The question be reviewed in the latter half of 1948 if the industry applies for continuance of protection after March 1949.

6. The Association would be very pleased to send the following representatives to meet your Board:—

- (1) Bhagwandas C. Mehta, Esq. (Acting Chairman) (Tel. No. 30435), c/o Sir Chunilal V. Mehta & Sons, Ltd., Queen's Mansions, Prescott Road, Fort, Bombay.
- (2) Sir Homi Mody, K.B.E. (Tel. No. 26041), c/o Messrs. Tata Industries, Ltd., Bombay House, Bruce Street, Fort, Bombay.
- (3) H. G. H. Everitt, Esq. (Tel. No. 25036), c/o Messrs. W. H. Brady & Co., Ltd., Royal Insurance Building, Churchgate Street, Bombay.
- (4) Krishnaraj M. D. Thackersey, Esq. (Tel. No. 32435), c/o Messrs. Thackersey Mooljee & Co., Sir Vithaldas Chambers, Apollo Street, Fort, Bombay.

*Government of India, Department of Commerce, Resolution dated New Delhi, 20th January, 1947.*

No. 28-T (6) 46.—In their Resolution in the Department of Commerce No. 218-T(55)/45, dated the 3rd November 1945, \* the Government of India announced the setting up of a Tariff Board to investigate claims for assistance or protection received from industries which have been started or developed in war time.

2. Government have also under consideration the question of continuance of protection to certain industries which were established before the war and were granted tariff protection on the basis of recommendations made by previous Tariff Boards. They have decided to request the Tariff Board, set up under the Resolution referred to in the preceding paragraph to investigate and advise them with regard to the claims of such industries.

3. Government recognise that, in the present abnormal conditions, it would not be possible to formulate a long-term tariff policy in respect of the well-established industries. The Tariff Board is accordingly requested to hold summary inquiries and advise Government whether, in present circumstances, protection at the existing or at a different scale should be granted for a further year after the 31st March 1947 to the following industries:—

- (i) Sugar;
- (ii) paper and wood pulp;
- (iii) cotton textiles;
- (iv) iron and steel.

**APPENDIX 8.**

**LABOUR MATTERS.**

**REFERENCE TO INDUSTRIAL COURT.**

*Notification dated 25th April 1946 issued by the Political and Services Department, Government of Bombay.*

No. 9815/34:—Whereas an industrial dispute has arisen between the Millowners' Association, Bombay, and the employees in the cotton textile mills in Bombay City who are their members in respect of the following demands:—

- (1) That the rates of wages payable to all classes of workers for all classes of work should be revised, raised and standardized to secure the living wage standard to the textile workers in Bombay and to ensure to them due remuneration for the strain and skill required in different processes in the cotton textile industry and that the remuneration of rationalised processes should also be revised and raised;
- (2) That the present scale of dearness allowances should be raised adequately to meet completely the rise in the cost of living; and
- (3) That in view of the demand for standardisation of wages, Standing Order No. 7 of the Standing Orders settled for operatives in cotton textile mills in Bombay should be replaced by the following Standing Order:—

Notices specifying the rates of wages payable to all classes of workers and for all classes of work with such essential data as will enable the wages to be determined shall be displayed on the beams and on the notice board in the weaving department and in other departments at such conspicuous places convenient to workers.

And whereas the Provincial Government is satisfied that serious or prolonged hardship to a large section of the community is likely to be caused by reason of the continuance of the industrial dispute;

Now, therefore, in exercise of the powers conferred by clause (2) of section 49A of the Bombay Industrial Disputes Act, 1938 (Bom. XXV of 1938), the Government of Bombay is pleased to refer the said dispute to the arbitration of the Industrial Court constituted under section 24 of the said Act.

*Copy of letter No. 78, dated 11th May 1946, from the Association to the Chief Secretary to the Government of Bombay, Political and Services Department.*

I am directed by the Committee of the Millowners' Association, Bombay, to refer to Government Notification No. 9815/34 dated the 25th April 1946, published in *Government Gazette Extraordinary* of the same date. Though the notification was, as stated, published on the 25th April 1946, it was unfortunate that the Association, which has been cited as one of the parties in the reference, was not aware of it till it received its copy of the *Gazette* on 4th May 1946.

2. At the outset, I am desired to point out that the notification refers to an "industrial dispute" as having arisen, and refers that dispute to the arbitration of the Industrial Court under section 49A of the Bombay Industrial Disputes Act. The Committee of the Association have very carefully read the provisions of the Bombay Industrial Disputes Act, and they hold that the reference is *ultra vires* of the Act referred to. Among other grounds, one of the essentials of section 49A is that at the time of the reference, an industrial dispute, as defined in the Act, should have been in existence, which, my Committee submit, does not exist in this case. Legal opinion obtained by the Association also strongly supports this view.



3. That apart, section 49A ~~was not intended~~ to be utilised in such cases. In this connection, I am desired to remind Government that, when the section was incorporated by an amendment of the 1938 Act, the Association was informed by the then spokesmen of Government that the powers conferred on Government by this section would be utilised only in exceptional circumstances.

4. My Committee have been considering whether there was any necessity for Government to invoke the assistance of the Industrial Court under section 49A of the Bombay Industrial Disputes Act. They examined the question from various angles, but they came only to one conclusion, namely, that, apart from being legally untenable, an arbitration, regardless of the personalities appointed to hold it, is unnecessary in the circumstances obtaining in Bombay, and in this connection, I am desired to make the following submissions without prejudice to the generality of the Association's contentions in a Court of Law.

5. For purposes of this letter, I take issues (1) and (3) together. The question of standardization of wages in Bombay mills was, as Government are aware, exhaustively gone into by the Bombay Textile Labour Inquiry Committee presided over by Sir Harsidhbhai Divatia. This Committee published their report in June 1941. Then followed negotiations between the Association and Government, and this question was also discussed at an interview which the Chairman of the Association had with His Excellency the Governor on 10th July 1941, and again on 4th August 1941. Government then wanted the Committee of the Association to appoint representatives to serve on a Standardization Committee, which Government proposed to set up, and the reasons which the Committee then advanced in support of its decision not to appoint representatives were as under :—

- (a) The appointment of such a Committee was not in accordance with the recommendations of the Textile Labour Inquiry Committee which stated that the Standardization Committee should be appointed only after the scheme of standardization of wages had been brought into operation, and in this connection, it was pointed out that the scheme had not yet been brought into operation.
- (b) At least 20 per cent. of each individual mill's capacity had already been placed at the disposal of Government; in certain cases, this percentage had already been exceeded, and it was very likely that increased demands would be made later. The types of goods which mills were being called upon to manufacture against Government's war requirements had not much relation to those which were ordinarily turned out by them in normal times, and as Government's demands on the industry increased, conditions might tend to become so abnormal that any conclusions regarding the suitability of the Standardization Scheme would serve no useful purpose.
- (c) Since the Textile Labour Inquiry Committee's Standardization Scheme was framed, there had been an increase in earnings, by the addition of dear food allowance and war bonus. A Standardization Committee, if appointed at that juncture, was not only not likely to produce any useful results, but might be a source of unnecessary friction between the management and the workers which, it was thought, should be avoided under all circumstances if the industry's war efforts had to be maintained.

6. Government then recognised the force of the Association's contentions, and I quote below from a note prepared by Government and supplied to the Association, indicating the final conclusions reached at a meeting, which a Special Sub-Committee of the Association had with His Excellency the Governor in Poona on 4th August 1941 :—

“As regards Government's proposals to appoint a Standardization Committee, Government would ask the Association to reconsider its decision not to appoint any representatives to serve on the Committee, if the most important section of the textile labour nominated as its representatives persons who are available to serve on the proposed Committee. It would be open to the Association still to refuse to nominate its representatives. If, in that case, the appointment of the Committee is postponed, Government would be at liberty to announce the reason why no immediate action could be taken.

If the union decides not to be represented on the Committee, the calling of the Committee would necessarily be abandoned."

7. Now that hostilities have ceased and the industry is gradually returning to normal conditions as far as the character of production is concerned, the Committee of the Association would have no objection to Sir Harsidhbhai Divatia by himself, or with other members constituting a Committee of Inquiry, and taking the thread from where it was left off in 1941-42. The Association would be very pleased to co-operate with, and render all possible assistance to, such an inquiry, and may always be depended upon to take a most dispassionate and reasonable view of things when the results are published. My Committee hope that the Association has, by its past record, sufficiently proved its sincerity in giving labour a fair deal. It accepted and gave effect to the interim recommendations of the Bombay Textile Labour Inquiry Committee, though it sincerely believed that the conditions of the industry at that time did not warrant the increase. It also accepted and gave effect to the findings of the majority of the Rangnekar Conciliation Board though the basis of compensation recommended by that Board was higher than the figure which the Committee had in view.

8. Where the Association is both willing to accept and co-operate with a Committee of Inquiry as suggested by the Committee, the necessity for compulsory reference to arbitration under section 49A does not arise. There is also, in my Committee's view, no virtue in compelling millowners to submit themselves to arbitration when Government are apparently unable to enforce their award on labour who are at present unorganised.

9. Turning now to the reference under the head "Dearness allowance," my Committee desire to draw Government's attention to a confidential communication, No. 3590/34-E, dated the 14th August 1941, addressed to the Association by the Chief Secretary to the Government of Bombay. Briefly stated, this communication marks the culmination of a series of conferences which members of this Association had with responsible officials of Government and His Excellency the Governor in 1941, in connection with dearness allowance. It must be remembered that these conferences and discussions preceded the introduction of the basis of dearness allowance current in member mills in Bombay. It is important to note that, in relation to this basis, the Government communication states: "Government consider it satisfactory and fair to labour." The communication also states that "Government will not use their power of reference to compulsory arbitration if a notice of change is given demanding a higher rate of dearness allowance and conciliation proceedings fail." A copy of the communication referred to is enclosed herewith for ready reference, and my Committee's submission is that, in view of the undertaking contained therein, there is no justification for reopening the question of adequacy of the dearness allowance by a reference to the Industrial Court under section 49A.

10. There is yet another consideration which my Committee desire to place before Government in connection with dearness allowance, and that is, the Industrial Court and several adjudicators appointed by Government in Bombay dealing with other industries and public utility concerns have adopted the basis recommended by the Millowners' Association and introduced that basis in the respective industries. In this connection, it may be added that it was only very recently that the basis of compensation of the Association, namely, 76 per cent. of the rise, was adopted even in the case of the Ahmedabad cotton mills, by an award of the Industrial Court. In this view of the case, there is absolutely no justification for reopening this issue which has been settled by the Industrial Court after careful inquiry only a few months ago.

11. In conclusion, I am desirous to reiterate that, if the issue of dearness allowance is removed from the demands registered by Government, there only remains the question of standardization which, my Committee feel, it is not necessary to submit to the arbitration of the Industrial Court. A Committee of Inquiry on the lines of the Bombay Textile Labour Inquiry Committee would be able to tackle the question in an admirable manner, and my Committee feel that it is such a Committee which is required, and not a sole Arbitrator or a Panel of Arbitrators, especially when Government could never hope to impose their award on labour.

*Copy of letter No. 3590/34-E, dated 14th August 1941, from the Chief Secretary to the Government of Bombay, Political and Services Department, to the Association.*

With reference to the recent discussion on the question of dearness allowance to be paid to textile labourers when the cost of living figure in Bombay City rose above 123, I am directed to state that, though the scale now published is lower than that which Government would have proposed, Government consider it satisfactory and fair to labour, particularly as the millowners have waived their right to the three months' interval and have agreed that the Rangnekar allowance should remain in force should the cost of living again fall below 124. In view of these considerations, Government will not use their power of reference to compulsory arbitration if a notice of change is given demanding a higher rate of dearness allowance and conciliation proceedings fail.

*Copy of letter No. 9815/34-E, dated 31st May 1946, from the Chief Secretary to the Government of Bombay, Political and Services Department, to the Association.*

In reply to your letter No. 73 dated the 11th May 1946, I am directed to say that Government has given close and careful consideration to the various points raised therein and regrets that it is unable to accept the suggestions made by the Association for the reasons stated below.

As regards issues (1) and (3) in the dispute, I am to invite attention of the Association to paragraph 7 of the Statement of Labour Policy of Government issued on the 22nd May 1946, a copy of which is attached herewith\*. The suggestion of the Association that a Committee of Inquiry be appointed to examine the question of standardization of wages goes against the declared policy of Government and would, if accepted, considerably delay a reform which is urgently needed.

In connection with the issue of "dearness allowance," Government is unable to accept the interpretation placed by your Association on the last sentence in Government letter No. 3590/34-E, dated the 14th August 1941, to which you have drawn attention. The undertaking contained in that sentence was in respect of demands for a higher rate of dearness allowance than what was then agreed to and not in respect of *all* future demands. As you are aware, the scale agreed to in 1941 was extended successively in the following years with the rise in the cost of living index but no such undertaking as in 1941 was given by Government on any of these occasions.

Government is aware that a number of industries have introduced the basis of dearness allowance adopted by the Millowners' Association but considers that it should be possible for them to make such adjustments as may be necessary following the award of the Industrial Court in the present case.

2. Finally, Government is unable to subscribe to the view of the Association that the reference of the dispute in question to the Industrial Court is *ultra vires* of the Bombay Industrial Disputes Act, 1938, and would be glad to know whether your Association proposes to challenge the validity of the reference on that ground.

*Copy of letter No. 78, dated 6th June 1946, from the Association to the Chief Secretary to the Government of Bombay, Political and Services Department.*

I beg to acknowledge the receipt of your letter No. 9815/34-E, dated the 31st May 1946, which has been placed before my Committee.

My Committee deny that there is any dispute between the parties mentioned in the Government notification No. 9815/34 dated the 25th April 1946, and they are advised that the reference of the alleged dispute to the arbitration of the Industrial Court is *ultra vires* of the Bombay Industrial Disputes Act, 1938.

My Committee are advised to challenge the validity of the reference on that and other grounds, and my Association proposes to do so.

\* Vide page 22 of this report.

*Application made by Messrs. Craigie, Blunt and Caroe, Solicitors, dated 5th June 1946, to the Industrial Court, Bombay, in connection with the reference for compulsory arbitration between the Millowners' Association, Bombay, and the employees in the Cotton Textile Mills in Bombay City, who are their members, under Political and Services Department Notification No. 9815/34, dated the 25th April 1946.*

We are instructed by our clients the Millowners' Association, Bombay, to address you under the following circumstances.

The Association have been served with a notice calling them to appear before you at 11 a.m. on Saturday, the 15th June, for a preliminary hearing in the above arbitration.

We are instructed by our clients to point out with the greatest respect to you that our clients are advised that the proposed reference is *ultra vires* of the Bombay Industrial Disputes Act and that the proceedings which they have been called upon to attend are *ultra vires* of the Government of Bombay and yourselves for the following amongst other reasons:—

The notification under which the notice has been served refers that dispute to your arbitration under section 49A of the Bombay Industrial Disputes Act.

One of the essentials of section 49A is that at the time of the reference an industrial dispute as defined in the Act should have been in existence, which, our clients submit, does not exist in this case.

Our clients are advised that there is in fact no dispute existing between the Millowners' Association and the employees in the cotton textile mills in Bombay City who are their members in respect of the demands therein set out under which such an arbitration would be competent.

By section 3 (13) of the Industrial Disputes Act, "industrial dispute" means any dispute or difference between an employer and employee, or between employers and employees or between employees and employees, and which is connected with any industrial matter. In other words, the essential ingredient of a dispute is that there should be a valid demand by a competent party, that is to say, by a party competent or having a recognised status under the Industrial Disputes Act, and a refusal to entertain such a demand also by a competent party or a party competent or recognised or having a status under the Act. No textile union formed of the employees of the mills in Bombay has ever been recognised either by individual textile mill companies or by the Association, and no union of the employees has any recognised status or any status at all under the Act.

The Association are advised that in the absence of any textile union of the workers or operatives who have a recognised status under the Act, the only manner in which a valid demand can be made is by the elected representatives of workers of individual mills or by the Government Labour Officer by giving notice of change as laid down in the provisions of Section 28 of the Act. When such notice is given and served on the mills by the elected representatives of the workers of such mills, or the Government Labour Officer, and if the mills on whom such notice is served accept the demands there would or could be no dispute which could form the subject matter for an arbitration much less a compulsory arbitration under section 49A of the Act.

Our clients are further advised that a dispute in such a case can and will only arise if the mills on whom such a notice of change is served by the elected representatives of their workers decline to entertain the workers' demands forming the subject matter of the notice of change.

Our clients are advised that under the Bombay Industrial Disputes Act textile workers have no legal status, the only parties having such legal status being a representative union, or the elected representatives of the workers. Moreover, the Association cannot be a party to an industrial dispute except under the provisions of section 29 (2) of the Act.

Furthermore, the notification states that the Provincial Government is satisfied that serious or prolonged hardship to a large section of the community is likely to be caused by

reason of the continuance of the alleged industrial dispute. The Association contend that this statement is not only not true and not in accordance with the facts, but is opposed to the facts.

Our clients also submit that section 49A is not intended to be utilised in a case like the present and that the powers conferred on Government by this section should be utilised only in exceptional circumstances.

We have, therefore, been instructed to write to you drawing your attention to the *ultra vires* nature of the order of Government and the want of jurisdiction to issue the notice to commence or continue the proceedings referred to in the said notice, and we are instructed to enquire of you whether in view of the arguments contained in this letter you propose to proceed on the 15th instant with the preliminary hearing.

We shall be much obliged if you will let us have an early reply because our instructions from our clients are if no reply is received by the 10th instant, or if a reply is received in the negative by that date to apply for a writ of *certiorari* prohibition and *mandamus* or such other remedy as may be available to our clients against prohibiting you from proceeding with the said matter.

*Order No. 70 of 1946 of the Industrial Court, Bombay, in reference No. 1 of 1946, dated 19th July 1946, in the dispute between The Millowners' Association, Bombay, and the employees in the Cotton Textile Mills in Bombay City who are their members,*

This is a reference made by the Government of Bombay under section 49A of the Bombay Industrial Disputes Act, referring an industrial dispute between the Millowners' Association, Bombay, and the employees in the cotton textile mills in Bombay City, for arbitration by this Court constituted by section 24 of the said Act.

2. The matter was fixed for a preliminary hearing on 15th June last when Sir Jamshedji Kanga appeared for the Millowners' Association, Bombay, under protest. The Government Labour Officer, Bombay, appeared for the employees and the Advocate-General appeared for the Government of Bombay. Mr. Shantilal Shah asked for permission to appear for certain employees who are members of the Rashtriya Mill Mazdoor Sangh of Bombay, who had made certain demands on the Millowners' Association, as a consequence of which this reference was made. Mr. Shah rightly conceded that he was not entitled as of right to appear on behalf of the said employees in these proceedings by virtue of section 75 of the Act but he sought permission to appear under rule 65 enacted under the Act. No order was passed at that stage but he was asked to repeat his request at any further stage of these proceedings when it will be seen whether it is necessary to grant him such permission in the interests of justice.

3. At the outset Sir Jamshedji raised a point about the want of jurisdiction of this Court to entertain this reference. His case was that the reference was *ultra vires* inasmuch as (1) there was no industrial dispute on which reference could be made, and (2) the circumstances mentioned in section 49A did not exist and the notification, i.e., the reference was silent about them. In elaborating these points he urged that an industrial dispute would arise only if there was a dispute or difference between employers and employees, that in the present case the employees in the cotton textile mills in Bombay had not made any demand on the Millowners' Association, under the provisions of the Act, that even if an unrecognised union made some demands on behalf of some workers on the Millowners' Association, the latter was not bound to act on such unauthorised demands and that in any case the Association had never considered and rejected those demands. It was further urged that the Millowners' Association cannot be compulsorily made a party to this reference as one cotton textile mill in Bombay was not its member and there are other cotton textile mills which are its members but are outside Bombay City, that all the employees in Bombay City have not made any demands on the mills, and that in any case the Government cannot refer only some of the points raised by the employees, but, if at all, it must refer for arbitration all the points raised by them. It is lastly urged that unless the proper procedure prescribed by the Act about calling the meetings of all employees in each mill and selecting elected representatives, and

conciliation proceedings thereaft. . is followed, there cannot be a reference to arbitration. On these grounds it was contended the reference was *ultra vires* and this Court had no jurisdiction to proceed with the arbitration.

4. In order to appreciate those objections it is first necessary to examine the provision which gives jurisdiction to the Court for compulsory arbitration. Section 49A of the Act runs thus —

“ 49A. Notwithstanding anything hereinbefore contained, the Provincial Government may, at any time, refer any industrial dispute to the arbitration of the Industrial Court, if it is satisfied that —

- (1) a serious outbreak of disorder or a breach of the public peace is likely to occur, or
- (2) serious or prolonged hardship to a large section of the community is likely to be caused by reason of the continuance of the industrial dispute ; or
- (3) the industry concerned is likely to be seriously affected and the prospects and scope for employment curtailed as a result of the continuance of the industrial dispute.”

This section is an exception to the general provisions relating to arbitration in the Act. While section 43 contemplates a voluntary arbitration of an industrial dispute either by an individual or the Industrial Court, section 49 A enables the Government to refer any industrial dispute at any time to the arbitration of the Industrial Court, notwithstanding anything contained in the Act, and irrespective of the consent of the parties when the Government is satisfied that any of three consequences mentioned in section 49A are likely to happen. When a reference under this section is made to this Court, its jurisdiction to entertain it does not depend on whether the Government had sufficient reasons to be so satisfied or whether a demand leading to the dispute had been made by only some workers or whether the procedure for making the demands laid down under the Act had been followed. It is not the function of this Court to inquire why a demand by some workers has led the Government to treat it as a dispute between all employees on the one hand and all employers on the other. The demands may be made by some and not all workers but if the Government thinks that they are of such a nature that it seriously affects the whole industry, e.g., standardisation of wages, it is for the Government to consider whether in view of its serious consequences the dispute should be decided as a whole for the peaceful working of the industry and avoidance of hardships to the community.

5. In the present case, the Government seems to have been moved to act under section 49A by a notice given by a body called Rastriya Mill Mazdoor Sangh to the Commissioner of Labour on 5th April 1946. This union is not a recognised or a representative union under the Bombay Industrial Disputes Act, though it is a lawful union under the Trade Unions Act. The notice stated that ever since 1941, the textile workers of Bombay had been agitating for certain demands such as standardisation of wages according to living wage standard, adequate dearness allowance, adequate bonus, etc., that their efforts to move the machinery under the Bombay Industrial Disputes Act had failed and that therefore they had no other alternative except to give 14 days' notice of strike under rule 81A of the Defence of India Rules. On the 16th April 1946, the union wrote a letter to the Millowners' Association, Bombay, to the effect that the union was prepared to discuss with the Association demands of the employees and that they might reach either an amicable settlement by negotiation, or go to arbitration or make a general issue under section 29 of the Bombay Industrial Disputes Act and resort to conciliation. No reply was sent by the Association to this letter. Thereafter the Government issued a Press note on 25th April stating that after careful consideration they had come to the conclusion that the ordinary procedure of negotiation and conciliation was not likely to lead to a speedy and peaceful settlement of the dispute and that therefore the Government had decided, in the interests of both labour and the industry itself, and of the community, to refer the demands to the arbitration of the Industrial Court under section 49A of the Bombay Industrial Disputes Act. Accordingly a notification referring the demands to this Court for arbitration was issued on the same day.

6. It is in these circumstances that this reference comes before us. We are not concerned with the sufficiency or otherwise of the reasons which satisfied the Government to refer this dispute to us. Nor are we concerned with the question as to whether the union which represents some only of the textile workers in Bombay, can raise a dispute on behalf of all the workers against all the mills in the city and whether the Millowners' Association is a proper party to the reference. It is for the Government to see whether the demands made by the union are such as would affect all the workers and require speedy action for their consideration. Sir Jamshedji urged that it is only the representative of employees under section 3(29) who can act on behalf of all the workers and for that purpose not more than five representatives should be elected from each mill in Bombay and they alone can proceed to give notice of change under section 28. We are of the opinion that although such representatives could be elected, it does not follow that they must be elected. Section 3(29) (iv) provides that when they are not elected, and in all other cases not falling under any of those clauses, the Labour Officer will be the representative of employees. Nor is it necessary that formal notices should be given to all the mills as the provisions of section 49A are enacted "notwithstanding anything hereinbefore contained." Sir Jamshedji argued that it means anything contained in that chapter only, but comparing the opening words of section 49, viz., "notwithstanding anything contained in this chapter" with the opening words of section 49A, we have no doubt that the word "hereinbefore" means all preceding provisions in the Act. The words "at any time" also mean that the reference can be made at any stage of the dispute. Section 49A is an emergency measure and it therefore provides for a reference to compulsory arbitration without following the general procedure laid down in the Act for a voluntary arbitration. The body which brings the demands to the notice of the Government may not be authorised under the Act but if the Government is satisfied that the demands have led to a dispute, it can act under this section. The fact that the workers could not be represented by any authorised union, may lead the Government to take action if the circumstances require. We agree with the contention of the Advocate General that no formal demand and refusal is necessary before the Government can act under this section.

6A. But then it is contended that no industrial dispute has as yet arisen because no employer has considered and rejected the demands of any employees. An industrial dispute is defined in section 3(13) of the Act as any dispute or difference between an employer and employee or between employers and employees or between employees and employees and which is connected with any industrial matter. The correspondence and events narrated above show that the union acting on behalf of some employees had given a notice of demands to the Millowners' Association which is included in the definition of "employer" in section 3(11) and which represents all employers who are its members in any proceeding under this Act under section 74(2). The Association took no notice of those demands presumably because the union had no status under the Act. A strike notice of 14 days was to be given by some of the workers if the employers did not entertain the proposals for an amicable settlement or arbitration. Therefore the Government intervened and issued a Press Note followed by a notification referring the matter to us for arbitration. On these facts we think an industrial dispute had arisen. Although it was a dispute between certain workers and their employers, Government seem to have thought that in view of the nature of the demands, the interests of both labour and the industry as well as of the community would be affected and therefore the matter was treated as one between all the textile employees and their employers in Bombay. For the purpose of its jurisdiction this Court is not concerned with the reasons which led the Government to treat the dispute as a general dispute or which satisfied them that the Millowners' Association was not willing to accede to the workers' demands. All that the Court has to see is whether on the materials before it, the dispute which has arisen according to the Government relates to an industrial matter or not. On that point there is no doubt that the demands about standardisation of wages, dearness allowance, rise in basic wages are industrial matters. All the other points urged by Sir Jamshedji Kanga do not bear on the question of the jurisdiction of this Court but relate to the merits as to in whose favour or against whom any relief is to be given if at all. For these reasons the reference does not appear to us to be *ultra vires* so as to oust the jurisdiction of this Court to entertain it. We overrule the preliminary objection and direct that the party representing the employees should file in this Court a statement of its case within one month from this date. A copy of the statement should be furnished on the same date to the Millowners' Association, which should file a reply thereto within one month from the date of receipt of the said copy.

*Notification dated 16th August 1946, issued by the Political and Services Department,  
Government of Bombay.*

No. 9815/34-I.—Whereas industrial disputes have arisen between the employers specified in the Schedule hereto appended and their employees (hereinafter referred to as the said employees) in respect of the following demands made by the said employees, namely :—

1. *Restoration of wage-cut.*—The Bombay Textile Inquiry Committee, appointed on a demand from the workers by the Congress Ministry in 1937 admitted that wages of the workers had been cut by about 25 per cent. The Committee recommended a restoration of only 11.9 per cent. of the cut in the extra profits made by the industry in 1936-37. The question of restoration of the remaining wage cut was left to the future.

In view of the boom that has been enjoyed by the industry since then and in view of the prospects of continued prosperity the said employees demand that remaining wage-cut of 13 per cent. should be immediately restored.

2. *Payment of arrears for 1938-39.*—The same Committee left in the hands of the employers a sum equivalent to four weeks' wages for the year 1938-39 from the extra profits made, and which the Committee would have disbursed to the workers but refrained from doing so, because the Government of Bombay by their letter No. 693/34-B, dated the 30th December 1937 (page 102, Appendix D, Interim Report of the Committee), informed the Committee that they intended to confer that such economic benefit on the workers by way of sickness and old age benefit legislation.

As the Government failed to keep its promise, and the sum meant for the purposes of restoration of wage-cut was left with the millowners, the said employees demand that the same would be now paid to them by way of bonus equivalent to one month's earnings.

3. *Increase in basic wages.*—In view of the tremendous war boom enjoyed by the industry, the perspective of an extremely prosperous future, the high profits that the industry continues to make, together with the fact that the worker's standard of living has been considerably forced down and demands immediate improvement.

The said employees demand that over and above the full restoration of wage-cuts an immediate increase of 12½ per cent. in their basic wages be given and steps be taken to introduce a living wage standard immediately as recommended by the Textile Labour Inquiry Committee.

4. *Standardization of wages and musters.*—The said employees demand that the differences in rates and wages relating from mill to mill for the same kind and amount of work should be immediately done away by introducing standardization of wages and musters. The said employees further demand that the scheme for standardization should be prepared in agreement with the workers and that it should involve no cut in wages or earnings for any category of workers.

5. *Introduction of three shifts.*—In view of the urgent need to increase the supply of cloth to the people and in view of the necessity to provide greater employment, the said employees demand immediate introduction of three shifts of 7½ hours each with same remuneration as for eight hours.

6. *Night shift allowance.*—In view of the extra strain involved in night shift working the said employees demand that extra allowance of 15 per cent. of the wages should be granted to the workers on the night shift.

And whereas the Provincial Government is satisfied that serious or prolonged hardship to a large section of the community is likely to be caused by reason of the continuance of the said industrial disputes.

Now therefore, in exercise of the powers conferred by clause (2) of section 49A of the Bombay Industrial Disputes Act, 1938, (Bom. XXV of 1938), and in supersession of Government Notification in the Political and Services Department, No. 9815/34, dated the 25th April, 1946, in so far as it relates to the employers specified in the Schedule appended hereto,



the Government of Bombay is pleased to refer the said industrial disputes to the arbitration of the Industrial Court constituted under section 24 of the said Act.

#### SCHEDULE

*Employers.*—(1) THE NEW CHINA MILLS LTD., (2) THE STANDARD MILLS, Co., LTD., (3) THE DIGVIJAY SPG. AND WVG. Co., LTD., (4) THE SWADESHI MILLS Co., LTD., KURLA, (5) THE SHAPURJI BROACHA MILLS, LTD., (6) THE NEW PRALHAD MILLS, LTD., (7) THE GOLD MOHUR MILLS, LTD., (8) THE MADHOWJI DHARAMSI MFG., Co., LTD.

*Notification dated 16th August 1946, issued by the Political and Services Department, Government of Bombay.*

No. 9815/34-II.—Whereas industrial disputes have arisen between the employers specified in the Schedule hereto appended and their employees (hereinafter referred to as the said employees) in respect of the following demands made by the said employees, namely :—

I. *Medical facilities.*—The present facilities provided by the various mills for medical aid are utterly inadequate and not free from undue pressure by the management. Proper and adequate free medical aid should be given to all employees and the members of their families, by engaging a full-time and properly qualified independent doctor. So also a lady doctor should also be engaged if a large number of women workers are employed in the mills.

II. *Co-operative societies, welfare activities and dining sheds.*—(a) Co-operative restaurants, canteens, grain-shops and cloth stores should be opened in each mill and the present practice of running these either by the privately owned persons or departmentally should be discontinued. (b) Similarly, more and more facilities for other welfare activities should be opened for the employees. (c) Spacious and airy dining shed to provide accommodation for a sufficiently large number of employees with a proper provision for cold drinking water and sanitary arrangements for washing the tiffin carriers and throwing the garbage should be provided in each mill.

III. *Improvement and compensation.*—The workers, especially the piece-workers are suffering very heavily due to shortage and bad quality of materials, yarn bobbins, beams, etc., and due to inadequate and delayed supply of the same. They also suffer due to the repairs not being done properly and in time. Proper arrangements should be made to remedy the above and every employee who suffers due to the above and similar reasons for no fault of his should be given adequate compensation for the same and his minimum earnings guaranteed.

IV. *Standard with wage increase.*—The present bases of wages and earnings of the employees are utterly inadequate. The wages having been brought down in the course of the last nearly 20 years by successive cuts stand now at an unreasonably low level, relatively and absolutely. Further, these already low real wages of the employees have gone down by the fact that the dear food allowance given to the employees from the beginning of the last world-war just over never compensated the full rise in the cost of living which was already below the minimum subsistence level. The present scale of wages and the dear food allowance is not the result of any mutual settlement or the findings of an impartial body. The wages and the scale of dear food allowance that have been imposed upon the employees of the Bombay textile industry are entirely arbitrary and unjust and the employees had to accept them under duress. Due to an absence of standardization of wages, there has been open and surreptitious reduction in the wages which has ultimately harmed both the industry and labour. The loss and sufferings of workers have been accentuated by the process of rationalization which has proceeded in the Bombay industry without regard to the just claims and interests of the working class.

The price level at present (after the end of World War II) prevailing shows no signs of materially going down. The chances of the present cost of living going down in the visible future are very meagre.

Similarly, the present prospective condition of the industry is going to last for a sufficiently long time.

Therefore, the said employees desire that the rate of wages payable to all classes of workers and for all classes of work should be revised, raised and standardised to secure the living wage standard to the textile workers in Bombay and to ensure them a due remuneration for the strain and skill required in different processes in the textile industry and they also desire that the necessary remuneration of rationalized processes should be revised and raised.

V. *Adequate dearness allowance.*—In view of the continuous increase in the prices of the necessaries of life and services, the employees have suffered and are still suffering hardships even in their day-to-day maintenance. Additional employment created by the war which was compensating to some extent this loss, has also disappeared after the close of the war, resulting in the accentuation of the sufferings of the employees. The present scale of dearness allowance is totally inadequate and therefore needs immediate revision. The said employees, therefore, desire that the present scale of dearness allowance should be raised adequately to meet completely the rise in the cost of living.

VI. *Unconditional and adequate bonus.*—The employees have heavily suffered and lost owing to large cuts in their wages resulting in strikes, lockouts and conditions created by the war. Now that the war is over and the times have improved for the industry every worker should be paid an unconditional and adequate lump allowance, i.e., bonus every year out of the increased earnings of the industry.

VII. *Change in the Standing Order.*—In view of the demand for standardization of wages, the following Standing Order should be substituted for the Standing Order No. 7 for operatives in Bombay :—

“ Notices specifying the rates of wages payable to all classes of workers and for all classes of work with such essential data as will enable the wages to be determined shall be displayed on the beams and on the notice board in the weaving department and in other departments at such conspicuous places convenient to workers.”

And whereas the Provincial Government is satisfied that serious or prolonged hardship to a large section of the community is likely to be caused by reason of the continuance of the said industrial disputes ;

Now, therefore, in exercise of the powers conferred by clause (2) of section 49A of the Bombay Industrial Disputes Act, 1938 (Bom. XXV of 1938), and in supersession of Government notification in the Political and Services Department, No. 9815/34, dated the 25th April 1946, in so far as it relates to the employers specified in the Schedule appended hereto, the Government of Bombay is pleased to refer the said industrial disputes to the arbitration of the Industrial Court constituted under section 24 of the said Act.

#### SCHEDULE.

*Employers :* The Sassoon Spinning and Weaving Co., Ltd., The Khatau Makanji Spinning and Weaving Co., Ltd., The Jubilee Mills Ltd., The Dhanraj Mills, Ltd., The Raghu-vanshi Mills Ltd., The Simplex Mills Co., Ltd., The Elphinstone Spinning and Weaving Mills Co., Ltd., The Crown Spinning and Manufacturing Co., Ltd., The Sir Shapurji Broacha Mills, Ltd., The New Great Eastern Spinning and Weaving Co., Ltd., The Phoenix Mills Ltd., The New Kaiser-I-Hind Spinning and Weaving Co., Ltd., The Bradbury Mills Ltd., The Meyer Sassoon Mills Ltd., The Morarjee Goculdas Spinning and Weaving Co., Ltd., The New Premier Mills Ltd., The Ruby Mills Ltd., The Kohinoor Mills Co., Ltd. (Nos. 1, 2 and 3), The Edward Textiles Ltd., The Podar Mills Ltd., The Kamala Mills Ltd., The Shree Niwas Cotton Mills Ltd., The Gold Mohur Mills Ltd., The Seksaria Cotton Mills Ltd., The Century Spinning and Manufacturing Co., Ltd., The David Mills Co., Ltd., The Modern Mills Ltd. (Nos. 1 and 2), The New Sun Mills Co., Ltd., The Jam Manufacturing Co., Ltd. (Nos. 1 and 2), The New China Mills Ltd., The Coorla Spinning and Weaving Co., Ltd., Kurla, The Victoria Mills Ltd. (No. 2), The Moon Mills Ltd., The Dawn Mills Co., Ltd., The Hindoostan Spinning and Weaving Mills Co., Ltd., The Bombay Dyeing and Manufacturing Co., Ltd. (Spring Mills), The Colaba Land and Mill Co., Ltd., The Apollo Mills Ltd., The Hirjee Mills Ltd., The Shree Ram Mills Ltd., The Western India Spinning and Manufacturing Co., Ltd., The Swan Mills Ltd., The New Union Mills Ltd., The Svadeshi Mills Co., Ltd., Kurla, The India United Mills Co., Ltd. No. 4, The India United Mills Co., Ltd., No. 5.

*Directions issued by The Industrial Court, Bombay, on 2nd October 1946 in Reference No. 1 of 1946 : Arbitration between the Millowners' Association, Bombay, and the employees in the Cotton Textile Mills in Bombay City who are their members, re. the standardisation of wages, increase in the present dearness allowance, etc., and reference No. 4 of 1946 : Arbitration between certain Cotton Textile Mills in Bombay and their respective employees, re. restoration of wage cut, increase in basic wages, standardization of wages, etc., and reference No. 5 of 1946 : Arbitration between certain Cotton Textile Mills in Bombay and their respective employees, re. medical facilities, standard with wage increase, adequate dearness allowance, etc.*

The said Court doth hereby direct (1) that the employees concerned in ref. No. 4/46 and No. 5/46 will file their written statements on all demands mentioned in the references on or before the 10th October 1946 and serve a copy thereof on the Millowners' Association, Bombay. The Millowners' Association will file its reply on the question of standardization of wages (demand No. 1 in ref. No. 1/46, demand No. 4 in ref. No. 4/46 and demand No. 4 in ref. No. 5/46) and on the question of basic wages arising out of these demands, before the assessors (hereinafter mentioned in para 3 below), on or before the 1st November 1946. The assessors will frame a scheme on the question of standardization of wages inclusive of increase in basic wages, if any, after hearing the parties in these disputes and their representatives or counsel, and forward the scheme to the Court on or before the 6th December 1946. Any aggrieved party will be at liberty to file objections, if any, to the scheme of the assessors within a fortnight thereof, i.e., on or before the 20th December 1946. (2) That on the remaining demands the Millowners' Association will file its reply on or before the 2nd December 1946. (3) That by virtue of the provisions contained in rule 61 of the Bombay Industrial Disputes Rules, Mr. P. V. Gillespie, M.L.A., and Mr. Khandubhai K. Desai, M.L.A., are hereby appointed assessors to frame a scheme for the standardization of wages inclusive of increase in basic wages, if any, for the employees of the cotton textile mills in Bombay. They are also authorised to collect such documentary evidence as they require for the purposes of the scheme. For any further discretions required, either of the parties or the assessors are at liberty to apply to the Court. The parties and the assessors will note that six copies of all statements should be filed in the Court and a copy each should be given to the other side, the parties concerned or the assessors, as the case may be. The date of further hearing will be announced later.

*Statement filed by the Millowners' Association, Bombay, in the Industrial Court, Bombay, on 8th November 1946 on its own behalf and on behalf of the Employer Companies mentioned in References Nos. 1, 4 and 5 of 1946.*

1. It is submitted that, as directed by the Court, the Association has confined its observations in this statement, for the time being, strictly to the two issues specified by the Court, namely, the standardization of wages and basic wages, though the Statements of Demands filed on behalf of employees have covered other grounds as well.

2. Without prejudice to the generality of the observations made in the enclosed submissions, it is submitted that one of the first essentials of a standardized scheme of wages is that it should be related to, and be appropriate for, normal times. That this is so, has also been accepted by labour (*vide* paragraph 3 on page 115 of the Bombay Textile Labour Inquiry Committee's Report,—Volume II). The Bombay Textile Labour Inquiry Committee also held, on page 117 of their Report, that "the existing level of wages at the level of the cost of living ruling in August 1939, was suitable for times of normal trade." The Inquiry Committee further held that "if either the cost of living or the condition of the industry change markedly in any direction, it would be open to any side to claim and obtain a percentage change in the rates laid down in the standardized list." Having this in view, the Association submits that the standardized scheme, which was submitted by it to the Textile Labour Inquiry Committee in 1939-40, affords a reasonable and workable basis, subject, however, to such minor modifications in rates as may be agreed upon to bring it in conformity with variations in wages, which have already taken place since the scheme was submitted, and subject to such further adjustments as may be necessary in the scheme, particularly in reference to piece-work occupations, to compensate workers for the loss in earnings following from reduction in the length of the working week.

3. The structure of the standardization scheme remains unaltered, and, as a matter of fact, it is on record that labour's representatives then, and even now, had, and have no suggestions to put forward for the amendment of the structure of the scheme.

4. The question of Standardization of musters and defining the duties of workers falling under various denominations has been considered by the Association, and it is submitted that, in view of the varying conditions current in the industry, and the differences in machinery and machinery layouts, class of goods produced, etc., any standardization would be difficult.

5. The Association now desires to submit a few observations on the question as to whether an adjustment in wage level presented in its 1939-40 Standardization Scheme is warranted by the condition of the industry since 1939. Pointed attention has been repeatedly drawn to the profits made by the industry, but it is the Association's submission that these profits averaged in relation to the block cost of the industry over a series of years, are not really abnormal if taxes, which were particularly very heavy during the last five or six years, were deducted from these profits, and adequate provision also made for depreciation on buildings and machinery.

6. It is an admitted fact that, during the war, the industry was worked to the fullest possible capacity to supply the clothing requirements of the armed forces and the civilian market. Replacements were very difficult to secure, and even essential spares were not available, and improvised arrangements had to be made to keep the industry going, regardless of the expenditure involved therein. Essential repairs could not be carried out on account of the non-availability of spares and had to be postponed, with the result that a very substantial section of the local industry is in dire need of replacement and modernisation.

At present machinery manufacturers only give us nominal prices and stipulate that the prices charged will be those ruling at the time of delivery. Even these indications of nominal prices are at least 2½ to 3 times the prices ruling in 1938, and even these cannot be viewed as final, as during the last few months, the trend has been for very substantial increases at short and regular intervals, and there are no signs of stabilisation.

7. An exact estimate of the amounts required for the replacement and modernisation of the Bombay cotton mill industry would be very difficult to compile unless exhaustive surveys and investigations were made in individual mills, but on the whole, the reserves available with the industry fall far short of requirements. It is submitted that, bearing in mind the fact that the resources at the disposal of the industry are entirely inadequate for replacement and modernisation and for purpose of placing the industry in a strong and healthy condition, this deficiency should first be made up before other claims on the industry are satisfied.

8. That apart, in matters like wages, and other items, which enter into the cost of manufacture, the position of Bombay cotton mills *vis-a-vis* cotton mills in the rest of India including Indian States, and cotton mills overseas needs to be maintained in the interests of Bombay, as otherwise, the local industry would be handicapped in competition with mills in the rest of India and overseas. The Association has always been willing to meet the reasonable requirements of labour, provided it is consistent with the stability of the industry, but as things stand, and bearing in mind the fact that there is no indication at present as to the burdens which may be imposed on the industry under the head "Labour welfare" by the Central and Provincial Governments, the best means of improving the wage position is to encourage labour to accept more machines per man so that the average earning may be raised without a corresponding rise in the cost of manufacture itself.

9. On the subject of basic wages, the Association submits that the Statement of Demand is not clear, and the Association is not, therefore, in a position to give a clear and specific reply at present. Reading, however, through the case of the employees, it is very difficult to resist the inference that their case for an increase in basic wages depends solely on the profits made by the industry in the last four or five years, and the managing agency commission paid in the same period. It has been urged on behalf of the employees that a very substantial portion of the improvement which has taken place should be devoted to the betterment of labour. The Association would respectfully point out that the losses made by the industry in the period 1923 to 1939, and the losses sustained, and the sacrifices made,

by all those who were connected with the management of the industry and by the shareholders should not be altogether lost sight of. But for their sacrifices, a larger number of mills would have closed down than was actually the case.

A few figures may be cited here : In the period 1923-24 to 1942-43, the managing agents waived office allowance, commission and interest due to them to the tune of Rs. 2,15,00,000 in round figures. In the period 1926 to 1935 inclusive, managing agents sustained a loss of about Rs. 75 lakhs through guaranteeing loans to mills under their management. In the very same period, managing agents had to accept share capital in repayment of loans made by them to the extent of Rs. 2,75,00,000. Since 1925, shareholders including managing agents have lost about twelve crores of rupees in the process of liquidation, reorganisation and reconstruction of Bombay mills.

10. It is submitted that, when considering the question of basic wages, and increases therein, if any, factors such as trading conditions and prospects of the industry in the immediate future have to be given due weight. Wage costs have already gone up on account of the introduction of the 8-hour day. The shorter working week has reduced production, and consequently wage costs and other fixed charges and overheads are relatively higher, and the incidence of other fixed charges and overheads are also higher. The margin of profit is thus lower than before, and the total profit on the reduced output will also be less. It has also to be borne in mind that holidays with pay will still further increase the wages bill. Health insurance and other social welfare measures, it is expected, will come into operation in the very near future, and this will also increase the wages bill. It is also pointed out that the municipal taxes and water charges in the city of Bombay are very high, particularly so when compared with other centres. Apart from the wage bill, the profits of the industry will depend upon cotton prices, prices of stores and other materials, and cloth prices. Prices of cotton and stores necessary for the manufacture of cloth are not within the control of the mill managements, and as regards cloth prices, the policy of Government is to keep cloth prices as low as possible.

11. The Statements of Demands of the employees seem to lay stress on the immediate necessity of restoring, with retrospective effect, cuts in wages, which, according to them, have been made since 1926. The Association submits that the demand for restoration of wage cuts, if any, with retrospective effect, is unreasonable. If, however, it is to be considered, then, it may be argued that the managing agents, shareholders, and others connected with the management of the industry, could also ask for compensation for the losses sustained by them in the past.

12. It is submitted that undue stress has been laid on behalf of employees on past profits made by the industry. Reference has also been made to the huge capital debt of the industry before the war, in the Statement of Demand submitted in Reference No. 5. The Association submits that a stable and healthy industry, to work on modern and efficient lines, must have sufficient funds to extend, replace and modernise its plant.

13. In several respects, the Statements of Demands filed on behalf of employees cover the same or identical grounds, and, in the interest of brevity, an effort has been made in the Association's replies to avoid repetitions wherever possible. It is, therefore, submitted that the replies given by the Association to the two Statements of Demands submitted by the employees should be read and taken as one.

14. The Association craves, leave to add to, alter, amend, modify or rescind the above statement of case submitted on its own behalf and on behalf of the employer companies mentioned in the references.

*Enclosure One to Statement dated 8th November 1946 submitted to the Industrial Court, Bombay.  
Reply to the Statement of Demand filed in Reference No. 5 of 1946.*

#### HISTORY OF WAGE REDUCTIONS.

1. It is submitted that it is incorrect to state that attempts at reducing wages in the Bombay cotton textile industry commenced after 1926. The Government of Bombay had appointed a Departmental Enquiry in February 1934 to enquire into the wages position of the industry, and one of the terms of reference was :

“The extent in reduction of wages of work-people employed in the cotton mills in the Bombay Presidency since 1st January 1926.”

2. In dealing with this aspect of the enquiry as far as it concerned cotton mill workers in Bombay City, the Departmental Enquiry's Report states :

“The process of wage cuts to which our present enquiry owes its origin, started with individual mills in Bombay from about the middle of last year (i.e., 1933). At the end of this process the allowances were reduced from 80 and 70 per cent. to 55 and 50 per cent., respectively, by some mills, etc.”

3. This clearly shows that the lowering of wages commenced in 1933, and not earlier, and took the form of a reduction in the dearness allowance which had been granted to offset higher prices brought about by the First World War.

4. Although the dearness allowance of 80 per cent. and 70 per cent. to piece-workers and time-workers respectively, were granted since the beginning of 1919 when the Bombay working class cost of living index number stood at 186, no reduction was made in dearness allowance until the middle of 1933 even though the Bombay working class cost of living index number had already fallen substantially as shown below :—

*Bombay Working Class Cost of Living Index Number.*

		Year (July 1914=100)			
1926	.. .. .	155		1931	.. .. . 110
1927	.. .. .	154		1932	.. .. . 109
1928	.. .. .	147		1933	.. .. . 103
1929	.. .. .	149		1934	.. .. . 97
1930	.. .. .	137			

5. The 1926 wage level was maintained by the industry for eight years though, on the basis of the decline in the working class cost of living index number, there was a clear justification for a reduction in dearness allowance. In other words, if the dearness allowance granted in 1919 had been co-related to the Bombay working class cost of living index number as at present, the entire quantum of dearness allowance would have disappeared in 1933.

6. It is important to note that 40 per cent. and 35 per cent. of the 80 and 70 per cent. dearness allowance granted to time and piece-workers since 1919, have since been consolidated with the basic wages. It is, therefore, incorrect to say that the reductions in wages were made without any regard to the workers' needs, comforts and standard of life. The Departmental Enquiry appointed by the Government of Bombay, to which a reference has already been made, came to the following conclusion with regard to the fall in the real wages since 1926 :

“We thus see that as compared with July 1926 real wages as defined in the introductory section and with all the limitations which accompany that expression were 15 per cent. higher in December 1933.” (Page 42 of the Report.)

7. As pointed out above, the only reduction in wages was in the dearness allowance in 1933, and not in rates of wages. The statement that new employees were taken at lower rates is not borne out by facts. The only enquiry which the Government instituted was in February 1934, and it was with a view to ascertain the reduction in wages.

8. The statement made in paragraph 5 of the Statement of Demand, namely, that from July 1926 to July 1937, the earnings of cotton mill workers in Bombay had gone down by 25 to 40 per cent., is quite incorrect and misleading. It is true that the figures contained in Table VIII of the Interim Report of the Bombay Textile Labour Inquiry Committee, have been extracted from the results of the Labour Office Wages Enquiry conducted in July 1926, December 1933, October 1934 and July 1937. The accuracy or reliability of the figures compiled by the Labour Office in so far as the compilation of the statistics is concerned, is not challenged, but it is submitted that the Association does not agree with the method or basis adopted for purposes of comparison of average earnings of Bombay cotton mill workers.

In other words, the figures given in Table VIII do not give a correct picture of the changes in the general wage level of the industry between 1926 and 1937. The Association submits that the Bombay Textile Labour Inquiry Committee themselves were aware of the drawbacks and limitations of the comparison made in Table VIII. In paragraph 37 of their Interim Report, the Inquiry Committee have set out the difficulties they had been confronted with in comparing the earnings data over two different points of time. The main difficulties, according to the Committee, were :

- (1) Changes and conditions of work, e.g., reduction in the statutory hours of work from 60 to 54 per week with effect from January 1935 ;
- (2) Introduction of rationalisation or efficiency schemes ; and
- (3) Changes in the character of production.

The other minor difficulties were :

- (a) Existence of relay system in certain centres ;
- (b) Enforcement of the Payment of Wages Act ; and
- (c) Effects of working night shift.

9. With a view to surmounting these difficulties, the Committee decided that the only way to determine the extent of wage-cut would be to compare the earnings in wholly comparable occupations. Unfortunately, the Committee were not successful in overcoming the difficulties mentioned above, and confined their comparison to the data relating only to average earnings of eight piece-work occupations and three time-work occupations, and any conclusion drawn from such comparison cannot, it is submitted, be conclusive or representative of conditions in the industry for the following reasons :—

- (a) The 11 occupations selected by the Bombay Textile Labour Inquiry Committee for the purpose of Table VIII were neither numerically important nor representative occupations in the year 1937 to the same extent as they were in 1926. In other words, the selected occupations contained all the workers which the occupational term connoted in 1926, while in 1937 they contained a far smaller number of workers.
- (b) The exclusion of the workers, who were shifted on to efficiency schemes from these occupations affected the comparison in two ways : firstly, it excluded those workers whose earnings had been considerably improved, and secondly, the workers who continued on the old system might never have been so efficient as workers who were transferred on to efficiency schemes.
- (c) Earnings of piece-workers do not depend only on the number of hours they work, but also on their personal efficiency. In other words, a reduction in average earnings cannot always be attributed to reduction in rates.

10. It would be incorrect to say that, even after the increases granted as a result of the recommendations contained in the Interim Report of the Bombay Textile Labour Inquiry Committee, the weighted average showed a decrease of 17 per cent. on the wages prevailing in July 1926. It should be pointed out that, since 1938, individual mill managements have been granting increases in rates of time-work occupations and improving rates and earnings of the piece-workers in the industry. The total effect of all these increases obviously has been to raise the general level of wages in the industry. It may incidentally be pointed out that, in paragraph 7 of the Statement in Reference No. 4 of 1946, it is stated :

“ We therefore demand that the remaining wage-cut of 13 per cent. should be immediately restored with retrospective effect from 1938 at least.”

This clearly shows that, according to these employees, the wage-cut which remains to be restored amounts to 13 per cent. and not 17 per cent. as contained in paragraph 5 of the Statement in Reference No. 5 of 1946. The wage *per capita* in the Bombay cotton mill industry at present is not below that of July 1926, without taking into consideration the reduction in hours of work from 10 to 8, or the dearness allowance at present paid in the industry.

11. With reference to paragraph 6, the employers are unable to accept the figures of profits, etc., shown in this paragraph. To the figures of net profits before allowing depreciation, have been added amounts paid to managing agents as office allowance and commission. It is submitted that these two items should be debited to the profit and loss account as a legitimate charge on the industry.

12. With reference to paragraph 7, attention is invited, for the sake of brevity, to the Association's reply to questions 18, 19, 20, 21, 22, 23 and 24 contained in the Supplementary Questionnaire issued by the Bombay Textile Labour Inquiry Committee.\* Reference is also invited to the following views expressed by Mr. J. F. Gennings, the then Commissioner of Labour :—

“ Even though it may not be quite impossible to fix a living wage standard, it is not desirable to do so, because whatever the basis that may be adopted would cause dissatisfaction. The fixing of a living wage standard was going to cause such tremendous unrest and would be a prominent cause for grievance for generation, because any ideal budget that may be framed will give the figures that the industry will never be able to pay to all its workers, the living wages would also be dangling before the eyes of the workers and they would never be able to attain it. In fixing the living wage standard if an ideal budget was to be framed, such an attempt would have no relation to facts.”

13. It is important to note, at any rate, that element of elasticity cannot be removed from a definition of living wage and such words as “adequate” or “reasonable” are essentially vague. By whatever method the living wage is determined, the result varies according to the point of view of the investigator. The examination of the living wage estimate made whether by a private investigator or public authorities in different countries, shows considerable variation in the result obtained. In other words, widely differing estimates are made of the cost of living of a family of given size. Some investigators actuated by ethical considerations endeavour to determine a wage which they consider desirable without paying much regard to what is practicable. Others give greater attention to what they believe to be attainable as a minimum in the immediate future. Whatever the object, to indicate the standard of comfort considered desirable, or to determine a subsistence standard, due regard must always be had to the actual standard of living of the people in the country.

14. With reference to paragraph 8, it is submitted that the statement made that 17 per cent. of the pre-1927 wages still remain to be restored, is not correct. It is submitted that there is no case or scope for the restoration of any cut. As far as the general level of wages is concerned, the Bombay cotton mill worker to-day is getting an average wage, exclusive of dearness allowance, which is practically the same as the average wage earned in 1926 inclusive of dearness allowance.

15. Appendix “C”,\* which consists of two parts, is misleading. Turning to the first part, the figures upto and including those relating to 1939 seem to have been taken from the composite balance sheets of the Bombay cotton mill industry. The figures relating to subsequent years are not accepted as correct. It is not only incorrect but also misleading to calculate percentages on paid-up capital.

16. The column “gross profits” relates to gross profits *before* allowing agents' commission and office allowance and depreciation. This method of presentation of gross profits seems to have been adopted to give a high percentage of gross profits in relation to paid-up capital.

17. It would appear that depreciation taken in Appendix “C”\* is the amount actually written off in the books upto the end of 1939. This, it is submitted, is not the right procedure, as in those years several mills were unable to provide adequate depreciation due to insufficient profits, and it is only fair that the correct profit or loss should be estimated after providing for the depreciation, which would have been possible if there had been sufficient profits.

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\* Not printed.



18. Turning to the second part of Appendix "C",\* it is not understood how the figures relating to taxes paid have been computed. Perhaps, the author of the table has accepted for the purpose of his argument the appropriations made in the appropriation account. If this is so, then it must be submitted that the figures are wrong. In any event, the implications of the indices given at the end of Appendix "C" are not intelligible, and unless made clear, it is not possible to give a reply.

19. Another point which requires to be made is that it seems to have been forgotten that, from the net profits of the industry, the full income-tax, corporation tax and excess profits tax have to come off, and if full provision were made for taxes and depreciation, the net improvement in the financial position of the industry would not be, by any means, as rosy as is painted in the Appendix, and, as explained above, calculation of percentages on paid-up capital is incorrect and misleading.

20. It is not known on what basis the figures of wages have been calculated. As the question of adequacy of dearness allowance is going to be considered by the Industrial Court subsequently, it is not proposed to deal with the demand for increase in dearness allowance in this written statement, but in another statement which will be submitted later.

21. If the contention of employees is that wages should be restored to the levels existing in 1926, then the answer is, without prejudice to what the Association has already submitted about comparison with 1926 wage level, that average earnings to-day are even higher than July 1926 as will be seen from the following figures :—

Enquiry	Date	Average daily earning	Cost of Living Index Number	
			July 1914 = 100	July 1933 to 1934 = 100
III Wage Enquiry ..	July 1926—	Rs. 1- 5-3	155	....
	September 1946	Rs. 2-11-6	....	267

22. Although there are two series of the Bombay working class cost of living index numbers with different base periods mentioned in the above table, for the purposes of general comparison, the figures in both the series may be treated as belonging to one series indicating the cost of living index numbers for Bombay workers. It may incidentally be pointed out that the figures of real wages shown in Appendix "D"\* of the Statement of Demand do not take into account the money value of the welfare activities carried on by the mills, such as medical facilities, advantages of the grain shops run by the mills at which non-rationed articles are sold at wholesale prices, the sale of non-rationed cloth at cheap rates to the workers, etc.

Either on the basis of demand for a restoration of wage-cut or on any other basis, it is submitted, there is no case for a wage increase.

23. With reference to paragraphs 9 and 10, it would have been more correct if the first sentence of paragraph 10 had read "Due to want of effective co-operation from labour."

24. The Association prepared a Standardization Scheme in 1928-29, which aimed at an average reduction of 7½ per cent. in weavers' earnings. This scheme was examined by the Fawcett Enquiry Committee in 1928-29, and the proposed reduction in weavers' earnings was held by that Committee to be fair and reasonable. The Association, as advised by the Fawcett Enquiry Committee, agreed, however, to waive the proposed reduction in weavers' earnings with the object of securing the full co-operation of labour leaders in working the scheme. A series of meetings were held early in 1929 with labour leaders of that time, but it soon became apparent that the extremist leaders were not prepared to offer any real co-operation, and even while negotiations were going on, plans were being perfected by them to bring about a general strike, with the result that the Standardization Scheme had to be dropped.

25. The question again came up before the Bombay Textile Labour Inquiry Committee in 1938-39. The Millowners' Association, Bombay, prepared a new scheme, which labour unreservedly accepted so far as the structure of the scheme was concerned, but made a few upward changes in wage rates. The Bombay Textile Labour Inquiry Committee ultimately accepted the structure of the scheme as prepared by the Association, but made certain changes as regards wage rates. Nothing further was, however, done as the war broke out immediately thereafter which necessitated several changes in the volume and character of goods produced in the industry, which, in the view of the Association, was not favourable to the introduction of the scheme.

26. Though paragraph 10 enunciates certain basic factors which, in the view of the employees, should be kept in view and provided for, in framing a standardization scheme, it is noted that the scheme which has been put forward as Appendix "E" to their Statement of Demands, is practically a replica of the scheme put forward by the Association to the Bombay Textile Labour Inquiry Committee with changes in wage rates, to give, to quote the phraseology used in the employees' statement, "an operative, working in unrationalised processes on time scale, a monthly minimum increase of Rs. 6 to Rs. 7 over what was considered to be fair on the conditions prevailing on the eve of the war." The employees have not advanced any convincing reasons to justify the increase they are asking for.

27. The Association is unable to accept the living wage standard referred to by the employees; it further submits that the living wage standard which the Bombay Textile Labour Inquiry Committee sought to set up, is not capable of being achieved in the immediate future.

28. It has been admitted on behalf of employees that, in the case of piece-workers in the weaving department, the rates given in the scheme are based so as to give a two-loom weaver working on the medium loom width, and on a medium plain cloth, an earning of about Rs. 45 for a month of 26 working days at 70 per cent. efficiency. The Association does not agree with the figure of Rs. 45, nor the efficiency figure of 70 per cent.

29. Employers have already granted an increase of  $12\frac{1}{2}$  per cent. in piece-work rates, following the reduction in working hours. As regards time-workers, they get the same wages for 8-hour day as for 9-hour day. The introduction of holidays with pay legislation is expected to put up the wage bill by at least 3 per cent. on existing rates, and these two factors would have brought about an increase of about 15 per cent. in wage costs. In this connection, it is further submitted that the Central Government have under consideration proposals for the introduction of sickness insurance, and if this comes into force in the near future, wage costs would be still further increased by about 5 per cent.

30. Regarding paragraph 11, the reasons for increasing the different allowances and differentials are not explained. The question of standardising the earnings of jobbers has been considered by the Association, and in view of the varying conditions current in the trade, such as the number of looms under the charge of each jobber, and the quality and character of production turned out on these looms, standardisation would be extremely difficult, if not impossible.

31. With reference to paragraph 12, reference is made to the observations made by the Bombay Textile Labour Inquiry Committee on page 124 of their Report :—

"When the rationalised system of work becomes the predominant system, it would be wrong to calculate the wage of the rationalised worker in terms of a proportion of a given basic wage. The wage should then rather be directly calculated in relation to its place in the general scheme of occupational gradation. We are of opinion that this point has been reached in Bombay with regard to the working of double sides in ring spinning."

The criterion for the determination of the wage payable to rationalised occupations should be the amount of skill involved rather than its relationship with either the existing wage of a corresponding unrationalised occupation or any proportionate increase thereon. The employers submit that rationalised occupations already existing should not, in any way, be disturbed, and rationalisation should be extended.

32. Regarding paragraphs 13 and 14, it is submitted that the employees have not specified or clarified what they exactly mean or want, and the Association is not, therefore, in a position to say anything at present.

33. Paragraph 15, it is submitted, is very misleading. The inter-relationship between the various items which go to make up the expenditure side of the profit and loss account depends on various factors such as the character of the output, the type of cotton purchased, etc., and it is not fair to compare the percentage in one year with the percentage in another year under different conditions. For instance, if, in a particular year, increased quantities of cotton and stores were purchased, then the total expenditure side will also go up, showing an increased percentage expense under the head "raw materials." The Association, however, refutes the conclusions arrived at, and the allegation made in the paragraph in question.

The Association craves leave to add to, alter, amend, modify or rescind the above statement of case submitted on its own behalf and on behalf of the employer companies mentioned in the references.

*Enclosure Two to the Statement submitted by the Association to the Industrial Court,  
Bombay, on 8th November 1946. Reply to the Statement of Demand filed  
by Employees in Reference No. 4 of 1946.*

34. With regard to paragraph 1, it is submitted that the millowners of Bombay did not make "several" attempts to cut down wages of their workers. The industry started losing money from 1923, and economies had to be made to make ends meet. Shareholders and managing agents made sacrifices in several directions, and it was only as the last resort that dearness allowances were reduced in 1933, in order to keep the industry going. The cost of living index number had then substantially declined from the high level it had attained after the First World War, and had come back to the pre-war level. Mills reduced the dearness allowance from 80 and 70 per cent. to 40 and 35 per cent. in the case of piece and time-workers respectively, and the basic rates of wages were left untouched.

35. The Association does not agree with the statement that there was a wage-cut of 25 per cent. between July 1926 and July 1937 as mentioned in Table VIII on pages 24/25 of the Interim Report of the Bombay Textile Labour Inquiry Committee. The Association's observations on this subject have already been made in its written reply to the Statement of Demand filed by employees in Reference No. 5 of 1946.

36. It is important to note that, in the written statement filed by the Bombay Provincial Trade Union Congress to the questionnaire issued by the Bombay Textile Labour Inquiry Committee when they reassembled after some months of the publication of its Interim Report, a special plea was made for the grant of four weeks' bonus pay. The representatives of the Bombay Provincial Trade Union Congress had suggested that the Committee should review the effects of its first Interim Report and grant four weeks' bonus pay by making a second Interim Report. As the Final Report of the Bombay Textile Labour Inquiry Committee does not contain any specific recommendations with regard to the special plea, it is presumed that it was not accepted by the Inquiry Committee, and it is, therefore, submitted that that demand cannot again be revived by the workers' representatives.

37. That apart, it is submitted that no claim for wage adjustment with retrospective effect can be entertained.

38. Moreover, it is important to note that, although the proposed legislation relating to sickness and old-age benefits has not actually been put on the Statute Book at present, other pieces of legislation such as holidays with pay, introduction of 8-hour day, etc., have already been given effect to, and these have definitely increased the wages bill as well as the cost of production.

39. It is not clear on what statistical or other evidence it is stated that reduction of wages from the 1926 level was accompanied by intensification of work and increase in *per capita* production. If this statement is intended to mean that a few efficiency schemes were introduced in the Bombay cotton mill industry since 1926, employers have no observations to make. Beyond the introduction of a few efficiency schemes, the industry has not

been able to make any advance in the direction of increasing *per capita* production on account of opposition from labour. As regards the "intensification of work," it is submitted that, speaking generally, the reverse is the case. Production has been adversely affected because of slackness on the part of workers and increased absenteeism.

40. The Association denies the observations contained in paragraph 3 which, the Association submits, are based on an incorrect assumption, and are unfounded and misleading.

41. The Association feels that paragraph 4 is a criticism of the findings of the Bombay Textile Labour Inquiry Committee without any proof or supporting evidence.

42. The Association's submission is that it does not feel called upon to say what the Bombay Textile Labour Inquiry Committee ought or ought not to have recommended.

43. The Millowners' Association, Bombay, has, since December 1939, granted dearness allowance. The Association implemented the majority recommendations of the Rangnekar Board of Conciliation and thereafter, in consultation with the Government of Bombay (as representative of workers in the absence of representative trade unions) has introduced a sliding scale of dearness allowance based on the working-class cost of living index number. The quantum of dearness allowance granted is adequate.

44. It is well known that the industry has been employing an excess number of workers in winding and reeling departments. This is not because the industry liked it, but because workers themselves wanted it, and they preferred all of them having some employment rather than some having full, and others no employment whatsoever.

45. The Association denies the claims made in paragraphs 7 and 8. There is no wage cut to be made up. Nor can any claim for wage adjustment with retrospective effect be entertained.

46. With regard to paragraph 9, it is submitted, there is no wage-cut to be restored. It is further submitted that the Association does not agree with the statements and demands put forward in this paragraph.

47. The Association submits that, if the idea in paragraph 10 is that a living wage standard should be fixed in relation to the country as a whole, and with reference to all industries, then it has no observations to make provided such a standard is fixed after making careful enquiries and provided such standard is reasonable and within the industry's means and capacity to pay. The Association is definitely against the Bombay cotton textile industry being singled out for any such experiment.

48. All allegations made in paragraph 12 are denied.

49. As, according to paragraph 14, the employees cannot consider any of the standardisation schemes so far put forth, the Association has nothing to say at present. Turning, however, to the points Nos. 1 to 12 in this paragraph the Association's observations are as under :—

*Point No. 1.*—The Statement of Demand states that the basis of the scheme does not represent a fair wage, but it does not say at the same time that, in the view of the employees, is a fair wage. It has already been submitted by the Association that the present wage level compares favourably with the wage level in July 1926. It is not, therefore, correct to state that the scheme of standardisation based on the existing wages seeks to stabilise the wage cuts.

*Point No. 2.*—Minimum wage in the Bombay textile industry should not be compared with wages in other occupations. In this connection, attention is invited to the following sentence taken from page 78 of the Fawcett Enquiry Committee's Report :—

"Any comparison with wages in other industries in Bombay such as, railways, municipal and tramway workshops must, as already pointed out, be made with great caution."

*Point No. 3.*—No differentiation is made in occupations other than sweepers. In the case of sweepers, nothing wrong has been done, and, in this connection, attention is directed

to paragraphs 165 and 166 of the Fawcett Enquiry Committee's Report. If same wages were fixed for male and female sweepers, then male sweepers would supplant female sweepers.

*Point No. 4.*—No standardisation scheme can remedy the defects pointed out. If, for trade reasons, 26 days' work is not available, then wages must naturally be reduced proportionately.

*Point No. 5.*—In an industry like the cotton textile industry, there are bound to be occupations which come under the category of learners and apprentices.

*Point No. 6.*—The employees have made a very sweeping and general statement, which is denied, and it would have been helpful if they had given some figures.

*Point No. 7.*—It would have been useful if employees had explained their point at length. The standardisation scheme then presented by the Association represented a scale of wages which the Association considered fair and reasonable, taking into account the nature of the work done and the skill involved.

*Point No. 8.*—The Association has already submitted that standardisation of musters is not possible in view of varying conditions and practices in Bombay. The employees have also explained what they mean by standardisation of working conditions.

*Point No. 9.*—This is closely allied to standardisation of musters. Definitions are impossible, as a lot depends upon the nature of the machinery used and the layout of the machinery of the mills generally.

*Point No. 10.*—It is admitted that the standardisation scheme does not provide for any promotion, but that does not mean that a doffer boy, for instance, remains a doffer boy for all time. There is scope for promotion from the doffer boy's post to that of tarwalla, then to a sider, and from that of a sider to a line jobber, and so on, depending on the skill, efficiency, etc., of the worker concerned.

*Point No. 11.*—The Association claims that the scheme submitted by it to the Bombay Textile Labour Inquiry Committee covers almost all the important occupations in the industry. There may be a few occupations not covered, but these are not numerically important, and they may not be, by any means, "in thousands" generally speaking.

50. Explaining their ideas about a perfect scheme, the employees have emphasised 14 points, and the Association's observations on these 14 points are :—

*Point No. 1.*—The Association claims that its scheme covers all the major occupations. If any occupation has been left out, it may be either due to the fact that the numbers employed therein are not substantial, and there is no room for standardisation, or that they are employed on varying jobs which makes standardisation extremely difficult, if not impossible.

*Point No. 2.*—Definition of jobs and occupations is difficult as the Association has already pointed out.

*Point No. 3.*—Musters cannot be standardised as already explained by us.

*Points 4 and 5.*—The Association cannot agree to this.

*Point No. 7.*—The wage fixed for every job cannot be guaranteed and is bound to fluctuate according to the number of days worked.

As regards compensation, this is not a matter which is covered at this stage of the reference, and would, therefore, be dealt with at a later date.

*Point No. 8.*—The Association regrets its inability to concede this.

*Point No. 9.*—The basis of the claim is not clear to the Association.

*Point No. 10.*—Making provision for guaranteed minimum earnings in the case of piece-workers, would be putting a premium on, and encourage inefficiency, slackness and carelessness on the part of workers.

*Point No. 11.*—The Association is unable to concede 80 per cent. When the representatives of labour appeared before the Bombay Textile Labour Inquiry Committee, they asked for only 45 per cent.

*Point No. 12.*—The Association is unable to agree to this.

*Point No. 13.*—The Association is unable to agree to this.

*Point No. 14.*—The Association does not propose to answer this point at this stage.

51. The Association craves leave to add to, alter, amend, modify or rescind the above statement of case submitted on its own behalf and on behalf of the employer companies mentioned in the references.

*Copy of letter No. 78, dated 8th January 1947, from the Association to the Secretary, Industrial Court, Bombay.*

I have the honour to submit herewith, for the consideration of the Assessors appointed by the Industrial Court in Reference Nos. 1, 4 and 5 of 1946, eight copies of a skeleton standard scheme of wages relating to time and piece-work occupations in cotton mills in Bombay.

The Assessors will, no doubt, appreciate that the preparation of a well considered scheme of standardisation necessitates collection and scrutiny of a mass of statistical and other details relating to individual mills in Bombay. In spite of this, however, and regardless of the preoccupations of the representatives of the Association and the staff, a skeleton scheme has been prepared which is submitted as a fair and reasonable standard list for application in Bombay cotton mills. There is, however, one point which the representatives of the Association desire to make in this connection, and that is with regard to the percentage additions to be made to basic rates in weaving for coarse weft, colour, fine warp, etc. The allowances have not been dealt with, but as the basic rate in our weaving scheme submitted in 1939 has now been increased in the scheme now put forth, the allowances will also be increased, resulting in an undue widening of the disparity in the weavers' earnings on fancy and plain cloths. There is, therefore, a definite case for a downward revision of the allowances, but within the limited time at their disposal, representatives of the Association have not been able to submit proposals in this connection.

The representatives of the Association have noted the Assessors' view that the terms of reference precluded them from going into the question of rationalisation whilst dealing with standardization of wages, but they again respectfully submit that any scheme of wage standardisation must take the work load factor also into consideration.

The representatives of the Association crave leave to add to, alter, amend, modify or rescind the scheme submitted as an enclosure to this communication.

*A Skeleton Scheme for Rates of Wages submitted by the Association.*

Occupation.	Rates of wages for a month of 26 days. Rs. a.	Occupation.	Rates of wages for a month of 26 days. Rs. a.
1. Departmental oilers	29 4	5. Tare pickers	} 21 2
2. Shafting oilers	30 14	Bardan pickers	
		Bobbin cleaners	
3. Oilers and banders	30 14	Waste pickers	} 21 2
4. Mochies	29 4	6. Sweepers	
		7. Hoistmen	29 4

*Machine Room.*

1. Navganies or bale stackers	30 14	4. Mixing spreaders	} 24 6
2. Tare pickers	21 2	Mixing breakers	
3. Bale breaker attendants	30 14	Coolies	

Occupation.	Rs. a. Rates of wages for a month of 26 days	Occupation.	Rs. a. Rates of wages for a month of 26 days.	
<b>BLOW ROOM.</b>				
1. Hopper feeder .. .. .	} 26 0	5. Thread extractor .. .. .	26 0	
Lattice feeder .. .. .		} 26 0	6. Willow men .. .. .	26 0
Hand feeder .. .. .			7. Dust carriers .. .. .	} 24 6
2. Exhaust opener .. .. .	} 26 0	Dust coolies .. .. .	} 24 6	
Exhaust and lap machinemen .. .. .		} 26 0		
3. Breaker scutcher men .. .. .	} 26 0		8. Hard waste machinemen .. .. .	} 26 0
Inter scutcher men .. .. .		} 34 2	Cop breaker .. .. .	
Finisher scutcher men .. .. .			2 Breaker scutcher .. .. .	
4. 2 Breaker scutcher .. .. .	} 34 2	2 Inter scutcher .. .. .		
2 Inter scutcher .. .. .			2 Finisher scutcher .. .. .	
2 Finisher scutcher .. .. .				
<b>CARD ROOM.</b>				
1. Lap carriers .. .. .	26 0	4. Grinders and/or strippers .. .. .	29 4	
2. Fly gatherers .. .. .	24 6	5. Flat grinding machine men (not less than two machines).	34 2	
3. Can boys and/or card tenters .. .. .	24 6			
<b>FRAME DEPARTMENT.</b>				
1. Doffer jobber .. .. .	48 12	3. Bobbin carriers and bobbin coolies .. .. .	24 6	
2. Creelers or doffer boys .. .. .	21 2			
<b>RING SPINNING DEPARTMENT.</b>				
1. Doffer jobber .. .. .	52 0	4. Bobbin carriers .. .. .	} 24 6	
2. Tarwallas .. .. .	} 26 0	Bobbin coolies .. .. .		
Followers .. .. .		Doff carriers .. .. .		
Gaiters .. .. .		Doff coolies .. .. .		
3. Doffer boys .. .. .	21 2	5. Scale coolies .. .. .	24 6	
<b>DOUBLING DEPARTMENT.</b>				
1. Doffer jobber .. .. .	45 8	3. Doffer boys (if required) .. .. .	21 2	
2. Siders—Single .. .. .	26 0	4. Doff and bobbin carriers .. .. .	} 24 6	
Double .. .. .	34 2	Doff and bobbin coolies .. .. .		
<b>MULE SPINNING DEPARTMENT.</b>				
1. Creelers .. .. .	21 2	2. Bobbin carriers .. .. .	} 24 6	
		Doff carriers .. .. .		
		Coolies .. .. .		
<b>REELING DEPARTMENT.</b>				
1. Coolies .. .. .			24 6	
<b>YARN BUNDLING DEPARTMENT.</b>				
1. Weighers .. .. .	30 14	3. Pressers or bundlers .. .. .	32 8	
2. Knotters .. .. .	30 14	4. Wrappers, labellers or bundle boys .. .. .	26 0	

Occupation.	Rates of wages for a month of 26 days.	Occupation.	Rates of wages for a month of 26 days.
	Rs. a.		Rs. a.
<b>CARDING, SPINNING (MISCELLANEOUS), LINE LEVELLING DEPARTMENT.</b>			
1. Departmental carpenters .. ..	52 0	4. Head roller coverers .. ..	42 4
2. Rope slicers .. ..	39 0	5. Assistant roller coverers .. ..	30 14
3. Fitter coolies .. ..	26 0	6. Tubular and cone banding machine men .. ..	29 4
<b>WINDING AND WARPING DEPARTMENT.</b>			
1. Number markers .. ..	24 6	4. Beam carriers .. ..	30 14
2. Coolies .. ..	24 6	5. Creelers or creel boys .. ..	22 12
3. Bobbin carriers .. ..	24 6		
<b>SIZING DEPARTMENT.</b>			
1. Beam carriers .. ..	30 14	3. Front sizers .. ..	74 12
2. Size mixers .. ..	32 8	4. Back sizers .. ..	39 0
<b>DRAWING-IN OR BEAMING DEPARTMENT.</b>			
1. Beam carriers .. ..	30 14	3. Reed repairers .. ..	30 14
2. Heald cleaners and repairers .. ..	30 14		
<b>WEAVING MISCELLANEOUS AND WEAVING LINE LEVELLING DEPARTMENT.</b>			
1. Beam carriers .. ..	30 14	4. Loom cleaners and oilers .. ..	26 0
2. Weft muccadam .. ..	30 14	5. Line levelling coolies .. ..	26 0
3. Weft Coolies or weft carriers .. ..	24 6		
<b>WAREHOUSE, CALENDERING, FINISHING AND FOLDING DEPARTMENTS.</b>			
1. Head outlooker .. ..	52 0	10. Hand or table folders .. ..	27 10
2. Cutlookers .. ..	39 0	11. Head stampers .. ..	39 0
3. Stitchers and sewers .. ..	26 0	12. Assistant stampers .. ..	29 4
4. Damping men or coolies .. ..	26 0	13. Ticket appliers and bundlers .. ..	26 0
5. Front calendermen .. ..	29 4	14. Bundle carriers or cloth coolies .. ..	24 6
6. Back calendermen .. ..	26 0	15. Piece checkers, sorters and measurers .. ..	30 14
7. Finishers .. ..	29 4	16. Scale boys .. ..	27 10
8. Front machine folder .. ..	26 0	17. No. makers and tally boys .. ..	26 0
9. Back machine folder .. ..	26 0		
<b>CLOTH AND YARN BALING DEPARTMENT</b>			
1. Bale marker .. ..	32 8	3. Navganies .. ..	} 30 14
		Bale stackers and bale coolies .. ..	
2. Hoop men or hoop cutters .. ..	26 0	4. Coolies .. ..	24 6
<b>WASTE CLEANING AND SORTING DEPARTMENT.</b>			
1. Coolies .. ..			24 6
<b>RING SIDERS.</b>			
Attending—upto and including—		Attending—upto and including—	
.. 200 spindles .. ..	25 3	.. 326 to 350 spindles .. ..	34 2
.. 201 to 225 spindles .. ..	26 0	.. 351 to 400 .. ..	34 15
.. 226 to 250 .. ..	27 10	.. 401 to 450 .. ..	35 12
.. 251 to 275 .. ..	30 1	.. 451 to 500 .. ..	39 0
.. 276 to 300 .. ..	30 14	.. 501 spindles and over .. ..	41 7
.. 301 to 325 .. ..	33 5		



## PIECE WORKERS.

Piecework rates should be so fixed as to yield a full-time worker the following average earnings for a month of 26 days of full-time work :—

FRAME TENTERS.		Rs. a.
Drawing tenters :—		
Single	.. .. .	30 0
2 Men for 5 heads	.. .. .	35 0
Slubbing tenters :—		
72 to 76 spindles	.. .. .	31 12
78 to 82	.. .. .	32 4
84 to 88	.. .. .	32 12
90 to 94	.. .. .	33 4
96 spindles and over	.. .. .	33 12
Intermediate tenters :—		
100 to 108 spindles	.. .. .	28 4
110 to 118	.. .. .	28 14
120 to 128	.. .. .	29 8
130 to 138	.. .. .	30 2
140 spindles and over	.. .. .	30 12
Roving tenters :—		
128 to 142 spindles	.. .. .	26 12
144 to 156	.. .. .	27 8
158 to 170	.. .. .	28 4
172 to 184	.. .. .	29 0
186 spindles and over	.. .. .	29 12
Plus 33½ per cent. for working on 2 frames.		

## REELING.

It is submitted that there should be a reasonable and satisfactory scheme of piecework rates. The Association is trying to prepare a scheme. In the meantime, the following level of earnings for reelers for 26 days of full-time work is submitted. Piecework rates should be so fixed as to yield a full-time worker the following average earnings for a month of 26 working days of full-time work :—

	Rs. a.
Hand reelers	22 0
Power reelers	24 0
WINDERS.	
Grey winding	23 0
Pirn winding	22 0
Colour and art silk winding	25 0

## DRAWERS.

	Rs. a.
Drawers-in	50 0
Reachers	26 0

## WARPERS.

Minding single machine	50 0
Minding two machines	70 0
High speed warper	60 0

## WEAVING STANDARDISATION SCHEME

In the scheme submitted by the Association in 1939 to the Bombay Textile Labour Inquiry Committee, the following basic rates for main loom widths should be substituted:—

Main Loom width. (In inches.)	Rate in pies.	Main Loom width. (In inches.)	Rate in pies.
25	22.620	48	30.740
26	22.910	49	31.175
28	23.490	50	31.810
30	24.070	52	32.915
32	24.650	54	34.365
34	25.375	56	35.815
36	26.100	58	37.265
38	26.825	60	38.715
40	27.550	62	40.165
42	28.275	64	41.615
44	29.000	66	43.065
45	29.435	68	44.515
46	29.870	70	45.965
47	30.305		

For 80", 90" and 100" looms, the rate to be as indicated below:—

80	54.608
90	64.487
100	76.747

As regards allowances, please see covering letter with which this has been forwarded.

*Report of the Assessors appointed by the Industrial Court, Bombay, submitted to the Industrial Court on 11th January 1947.*

In the matter of increase in Basic Wages and Standardization Demands made by the employees of certain textile mills in Bombay.

## Parties

1. Employees of 52 Mills, represented by Sjt. Shantilal H. Shah, Solicitor, and Sjt. G. D. Ambekar;
2. Employees of 7 Mills, represented by Sjt. K. T. Sule, Advocate; Sjt. Vaidya;
3. N. A. Mehrban, Esq., Government Labour Officer, Bombay;
4. Textile Mills, represented by the Millowners' Association, Bombay, through their Counsel Sjt. R. J. Collah and Sjt. B. C. Mehta, Acting Chairmen of the Millowners' Association.

The Honourable Industrial Court, Bombay, has appointed the undersigned as Assessors in the above matter by their Order dated the 2nd October 1946 and has asked us to submit our Report under the following directions :—

“That by virtue of the provisions contained in Rule 61 of the Bombay Industrial Disputes Rules, Mr. Khandubhai K. Desai, M.L.A., and Mr. P. V. Gillespie, M.L.A., are hereby appointed assessors to frame a scheme for the standardization of wages inclusive of increase in basic wages, if any, for the employees of the cotton textile mills in Bombay. They are also authorised to collect such documentary evidence as they require for the purpose of the scheme. For any further directions required, either of the parties or the assessors are at liberty to apply to the Court.”

2. We held the preliminary sittings on the 12th and 13th of November 1946, and had certain preliminary discussions with the parties, and consulted them with regard to the procedure to be followed in our inquiry. As a result of these discussions, certain essential data was found necessary and with the concurrence of the parties, the Millowners' Association was requested to supply facts, figures and other materials including the consolidated financial position of the industry for various years, relevant to the inquiry we were holding. They were also requested to make available to us certain basic facts, with regard to the existing wages, mode and method of payment in various departments, efficiency figures, and the composition of cloth production along with the distribution of looms of various sizes in the industry. The Millowners' Association required about a fortnight to compile all this information, and therefore, the proceedings were adjourned to 3rd December 1946. During the course of this period and thereafter, the data asked for was made available to us, and the work of our inquiry was greatly facilitated by it. All this data is submitted herewith in a separate file.

3. The Industrial Court directed us to submit our report by 6th December 1946, but owing to the fortnight's adjournment, it was not possible for us to submit the report, and therefore, we requested the Court to grant us an extension of time for the submission of our report by the end of January 1947. The Industrial Court has kindly acceded to our request and extended the time.

4. Sjt. K. T. Sule, on behalf of the employees of certain mills, in the course of his arguments, said that the demands made by him, on behalf of employees, are justified in view of the recommendations of the Bombay Textile Labour Inquiry Committee, with regard to the question of living wage. He said that the findings of the Committee were that a working class family in Bombay requires Rs. 50 to 55 for a living wage, and the industry should pay the wages accordingly. The worker should get a bare living wage, and the criterion "capacity to pay" is not a relevant factor for the purpose of deciding the living wage. He argues that according to him, the average wages of a textile worker in the city, should be Rs. 55 per month. The textile worker in Bombay has suffered during the war period, owing to reduction in his real wage, and he should also be compensated for this loss. He has also been subjected to unjust cuts during the period from 1933 to 1937, and the Textile Inquiry Committee has only partially redressed this wrong done to the workers. He feels that the industry that has made such huge profits, and paid large dividends should be in a position to pay to the workers in the industry an average of Rs. 55 per month, and it should be a first charge on the industry.

5. Mr. Shantilal Shah, solicitor, appearing on behalf of the employees of 52 mills, in course of his arguments, with regard to his demand, for an increase in wages, stated, that his demand was that the living wage of Rs. 55 is his focal point to be approached as soon as possible, but he conceded that this wage is not according to him an immediate goal, but in the near future, the textile worker should be raised up, to this level. He stated that what he has demanded is very reasonable, and the industry should be in a position to concede his demands in view of the huge profits of several crores which he has shown in the statements he submitted to the Industrial Court. He also stated that the Textile Labour Inquiry Committee has granted an increase of 12½ per cent. in the year 1938, leaving to the industry a margin of profits equivalent to two crores of rupees. He would like the Assessors to take that as the basis for ascertaining the capacity of the industry to pay. He conceded that the capacity to pay is one of the important relevant factors to be taken into consideration, and his contention was that even after paying the taxes, high dividends, and high commissions, large surplus of profits are left with the industry to pay the increases demanded by the employees. He

also argued that the textile workers in Bombay have suffered to the extent of about 14 per cent. in the matter of real wages as compared to the pre-war year, and the increase granted by the Textile Labour Inquiry Committee was wiped out by the non-payment of full dearness allowance, whereas all other partners in the industry have been very greatly benefited at the cost of the wage earner only. He also argued that the agricultural wages in the areas from which Bombay textile labour is drawn, have gone up to the extent of three hundred per cent. He states that though the wages in Bombay have been cut unilaterally without any judicial inquiry, as this question has been inquired into by the Textile Labour Inquiry Committee, and a certain portion of the cut was restored, he does not want to go into that question. What he demands is that an increase in the existing wage-level exclusive of the present dearness allowance, should be granted and that the financial position of the industry has improved to such an extent that it can very easily pay the increases demanded by them in the basic wages of the employees. The industry has more than adequate funds at its disposal, even to renovate the machinery when it will be available.

6. Sjt. R. J. Collah, on behalf of the member-mills of the Millowners' Association, Bombay, in replying jointly to the contentions advanced by the representatives of the employees stated, in the course of his arguments, that even though the textile industry is shown to have made huge abnormal profits during the abnormal war period, very little is left to the industry, owing to very high taxation and substantial part of these profits have gone to the Exchequer. Even then, if something is left to the industry by way of depreciation,—past arrears and present—and some additions to reserve fund, it is quite insufficient to meet the future liability of renovating at least 60 per cent. of the plant which has been overworked during the war period; to supply the needs of the war, and the civil population of the country. The Millowners even now are not unwilling to pay what is a fair and reasonable wage looking to the existing condition. The industry has made very huge losses in the pre-war years, and has not been able even to take out necessary depreciation. The war period or even the present time is not the normal period for raising basic wages and the employees should wait till normal times return. The industry has been paying dearness allowances which is reasonable, and they have not grudged it. The industry in the near future would have to face foreign competition, and it must be equipped for this contingency. The reduction in the number of hours of working has also adversely affected the industry and the mills have already granted a compensatory 12½ per cent. allowance in the case of piece-workers. The much talked of wage cuts are not wage cuts, and therefore the question of their restoration does not arise as the dearness allowance granted during the last war was only partially withdrawn. The employees should also take into consideration the various welfare activities which the mills are conducting. In conclusion, he stated that any comparison with the foreign countries or of yore is irrelevant and should not be taken into consideration. In view of all the factors mentioned above, he argued that there is no case for any increase in basic wages and that any comparison with the profits and wages at the time of the report of the Textile Labour Inquiry Committee is not proper as it was a time of depression and the Industry was only enabled to make good the losses it had incurred during the past years. He also argued that if an increase is granted in the basic wages, it is bound to act in the matter of dearness allowance question which is pending before the Industrial Court as any increase in the basic wages will be reflected in dearness allowance which is being paid as a certain percentage of average wages in existence.

7. With regard to the standardization of wages in various departments, it was common ground as far as all the parties were concerned, that it should be effected. All the parties also agreed that if we come to the decision that increase, if any, is to be granted, it should be consolidated in the scheme of standardization of basic wages. Sjt. Shantilal Shah, in the course of his arguments with regard to standardization, stated that while standardizing the wages, the question of living wage standard should be always kept in view and wages should be so standardized as to gradually raise them up to a living wage standard. He also stated that a minimum wage for the worker in the industry should be decided, and below which nobody should be paid. He said the existing differentials are the result of some traditional and historical growth and there may not be reason or justification for some of these differentials, and therefore he asked us to have such differentials between the different categories of workers, so as to reflect in them reasoned grounds for the differences taking into consideration type of work, skill, and strain involved and such other factors which go to make differentials suitable to the work. The piece-workers working in the ring frame department on

coarser counts, he stated, have to undergo very great strain and they ought to be compensated for this strain. Mr. Shantilal's view is that even an unskilled person joining the textile industry, should not get less than Rs. 30 and a semi-skilled worker ought to get from Rs. 35 to 40, while skilled and specially skilled workers should get still higher wages.

8. Sjt. Sule generally stated that the standardization should be so effected as to bring about an average wage of Rs. 55 in the industry, and the minimum should not go below Rs. 36. He also pressed for standardization of musters, and conditions of work. He generally agreed with the structure of Standardization scheme, recommended by the Textile Labour Inquiry Committee, and asked us to take that structure as the basis for our purpose.

9. Sjt. R. J. Collah, while replying to the arguments advanced by the labour side, stated that, as far as the structure of the scheme of standardization is concerned, they are agreeable to the structure of the Textile Labour Inquiry Committee's scheme, but he reiterated the arguments with regard to the increase in wages. Sjt. Bhagwandas Mehta, the acting Chairman of the Millowners' Association, in the course of his elucidation stated that owing to the war conditions efficiency has gone down, and there is more absenteeism involving loss in production and these factors should be considered in framing the scheme of standardization. They generally agree with the scheme of standardization recommended by the Textile Labour Inquiry Committee, which they feel, has been framed for normal times, and as such, it should be adopted. He agreed to supply us a revised scheme of standardization for our consideration.

10. We have very carefully considered various points raised by the parties in the course of our discussions, and after giving earnest consideration, to the almost diametrically conflicting view points of the parties, we come to the conclusion that the Standardization Scheme, attached herewith, in Schedule I, II and III is a fair and reasonable scheme as a step towards taking the textile worker gradually to a living wage standard. In framing the scheme, we had to make certain obvious adjustments in order to meet the conflicting view points of the parties, and we believe that the scheme we are recommending is in the interest of the Industry, its employees and everybody concerned. We are definitely of the view that no employee, working in the textile industry, in the city of Bombay, should get less than Rs. 30 for a month of 26 working days. This minimum basic figure is exclusive of the existing dearness allowance which is being adjusted according to the rise or fall in the Bombay Cost of Living Index, and which question is now pending before the Hon'ble Industrial Court. Having taken Rs. 30 per month as the minimum basic wages for any employee, we have considered the differentials in the light of the work, skill, strain, and other conditions of work involved in different processes, comprising the textile industry. Both of us have come in contact very closely with the textile industry and their employees in various parts of the Province, for the last 25 years and from our experience, we can very definitely say that the existing numerous differentials in the textile industry are uncalled for and they should be reduced as far as possible. Accordingly, we have reduced the various confusing differentials, and tried to adjust them on the basis of work and skill; and as such increases granted to various categories of employees are not *ad hoc* increases but varied increases according to what we consider reasonable for the type of work they put in.

11. The Millowners' Association, Bombay, laid great stress on the normal times and contended that the present is not the normal time, and therefore, no wage adjustments should take place now. They stressed the same point before the Textile Labour Inquiry Committee, and the Committee came to certain conclusions which we are inclined to accept. We have framed our Standardization Scheme, inclusive of the increases we feel, just and reasonable, taking into consideration the existing conditions of the industry, and the state of the economic and social conditions of the employees working in the industry. We have, no doubt, in our mind that the social and economic conditions of the employees require to be raised up and the present position of the industry is such that it can do so without any apprehension with regard to its future. It cannot be denied that the employees in the textile industry have suffered to the extent of 14 per cent. in their real wages as compared to their pre-war living standard; while all other interests in the industry have been considerably benefited. It also cannot be denied that most of the employees were not getting a living wage before the war, and even that wage in terms of commodities and services, has deteriorated, even when the

industry was making such good profits. We are of the opinion that, under these circumstances, the undefinable normal times cannot, in fairness, be held against the just claims of the employees.

12. We have studied the consolidated balance sheets figures which have been supplied to us by the Bombay Millowners' Association. The figures reveal a picture which anybody in our place cannot ignore in considering the claim of the employees to better their economic condition. Whereas, the industry has a considerable capital debt on the eve of the war entailing a cash deficit of about Rs. 3 crores in the industry excluding the fixed assets, it improved its position to such an extent as to convert this deficit of Rs. 3 crores into a cash liquid surplus of about Rs. 23 crores (including Excess Profit Tax Deposits) in round figures by the end of the year 1945. This figure does not take into account the depreciated fixed asset of the industry which is about 12 crores. The existing plant of the industry is still in a reasonable working condition and it is expected to serve the industry for some further period, and even then, this fixed asset will have some value. The year 1946 must have added at least further Rs. 4 crores to the cash surplus of Rs. 23 crores. The figures in any case, show that as a result of the profits made during the last seven years, even after paying all the taxes, the financial position of the industry has improved by 30 crores of rupees. The industry, therefore, has got at its disposal to-day in cash no less than Rs. 27 crores for a gradual replacement of the plant for the next ten years, and during this period of ten years, a further accretion to this amount is reasonably expected. The profits of the industry for the year 1946, according to the millowners' own estimate, are Rs. 15 crores, as compared to about Rs. 2 crores in 1938 when the Textile Labour Inquiry Committee granted an increase of 12½ per cent. The industry which has got such a sound and stable financial position with the existing profits of Rs. 15 crores, should not deny to their employees an advance in their wages which they have claimed. The industry, in such a position, on the contrary, should look forward with hope and exhilaration towards the future instead of viewing it with undue pessimism.

13. We have discussed in the preceding paragraphs our grounds for granting the increases, we have recommended in our Scheme of Standardization. The advance we have recommended is such that the industry can pay without any detriment to its future well-being. The renewal of machinery from its own resources will further stabilize the industry for the future, as it will not have to pay heavy interest charges to any outside financiers, and till they are able to get new machinery, the accumulated cash reserves will not only save them the interest charges which amounted to about Rs. 50 lakhs in the pre-war period, but will bring them some income by way of interest as the money will be utilized for working capital. Taking all these factors into consideration, we have evolved the Standardization Scheme which we are submitting to the Hon'ble Industrial Court, for its consideration.

14. In the structure of the scheme evolved by the Textile Labour Inquiry Committee, we have made certain changes which call for some explanation. We have put doffers, gaiters, followers, and tarwallas in the same category drawing Rs. 30 per month. We feel that the existing distinction is unnecessary, and it should be abolished, and this class of employees, by whatever names they are called, should be termed as doffer gaiters and their number should gradually conform to the standard we have laid down without entailing unemployment in the case of present persons. The natural vacancies that may occur in future should not be filled up and the standard be evolved accordingly. The ring piecers, working in the ring frame department on counts coarser than 18s is put under great strain and it is fair that they must get some additional remuneration for this heavy work, and therefore we have recommended 12½ per cent. additional allowance for this heavy type of work.

The Millowners' Association stated before us that the standardization in the speed frame, winding, warping, and drawing-in departments will involve very great disparities in wages, owing to very wide range of variations in the conditions of work, and machinery, and therefore, any standardization will create unnecessary discontent. We accept this view for the present; but we strongly recommend that the Millowners' Association should take early steps to standardize working conditions in these processes so as to evolve a standard for these processes.

There are certain categories of the employees whose wages depend on individual merits, and are therefore excluded from our Standardization Scheme, but they have been

granted increases as per Schedule III, attached to this Report. We have also left out some miscellaneous employees who have also been granted increases according to Schedule III.

15. In conclusion, we have great pleasure in acknowledging our thanks to the parties who have given as their unhesitated co-operation and assistance in our task throughout our inquiry. We beg to submit our report to the Hon'ble Industrial Court, for its consideration. We also recommend that the Standard Lists we have framed in Schedules I, II and III, may be ordered by the Court to come into effect from the 1st of January 1947.

(Signed) KHANDUBHAI KASANJI DESAI,

(Signed) P. V. GILLESPIE,

Assessors.

Dated the 11th January 1947.

Standardized uniform list of basic wages and rates for employees of the Textile Industry in the City of Bombay (as recommended by the Assessors appointed for this purpose by the Industrial Court, Bombay).

### SCHEDULE I.

#### TIME WORKERS.

		Standard wages. 26 working days in a calendar month.		
		Rs.	a.	p.
<b>1. Occupations common to various departments :</b>				
(1)	Departmental oilers and handers .. .. .	37	6	0
(2)	Shafting oilers .. .. .	39	0	0
(3)	Mochees .. .. .	34	2	0
(4)	Tare pickers, waste pickers, bobbin pickers and such other pickers .. .. .	30	0	0
(5)	Sweepers .. .. .	30	0	0
(6)	Hoistmen .. .. .	35	12	0
(7)	Coolies, other than provided in the list separately .. .. .	30	0	0
<b>2. Mixing Room :</b>				
(1)	Mukadam .. .. .	40	10	0
(2)	Bale stackers .. .. .	35	12	0
(3)	Navganies .. .. .	34	2	0
(4)	Bale breaker attendants .. .. .	34	2	0
(5)	Mixing spreaders and mixing breakers .. .. .	30	0	0
<b>3. Blow Room :</b>				
(1)	Hopper feeders, lattice feeders, hand feeders .. .. .	34	2	0
(2)	Exhaust openers, exhaust and lap machinemen, Crighton openers .. .. .	34	2	0
(3)	Breaker scutchermen, inter scutchermen, finisher scutchermen .. .. .	34	2	0
(4)	2 breaker scutchermen, 2 inter scutchermen, 2 finisher scutchermen .. .. .	42	4	0
(5)	Thread extractors .. .. .	30	0	0
(6)	Willowmen .. .. .	30	0	0
(7)	Dust carriers, dust coolies, dropping carriers .. .. .	30	0	0
(8)	Hard waste machinemen, cop breakers, roving end breakers .. .. .	30	0	0
<b>4. Card Room :</b>				
(1)	Lap carriers .. .. .	34	2	0
(2)	Fly gatherers .. .. .	30	0	0
(3)	Can boys .. .. .	30	0	0
(4)	Card tenters .. .. .	31	11	0
(5)	Grinders and/or strippers .. .. .	35	12	0
(6)	Strippers and grinders on rationalized process .. .. .	38	3	0
(7)	Flat grinders .. .. .	36	9	0

Standard wages.  
26 working days in  
a calendar month.

Rs. a. p.

5. *Combing Department :*

(1) Two machine men .. .. .	38	3	0
(2) Four machine men .. .. .	52	0	0
(3) Ribbon Lapmen and slivermen .. .. .	34	2	0

6. *Speed Frame Department :*

(1) Creelers or doffer boys.. .. .	30	0	0
(2) Bobbin carriers and bobbin coolies .. .. .	30	0	0

7. *Ring Spinning and Doubling Departments :*

(1) Doffer gaiters (tarwallas, followers, gaiters or doffers) .. .. .	30	0	0
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Total No. of tarwallas and doffers to be engaged should be as under :—

Average count spun.	No. per 1,000 spindles or a part thereof.		
(i) Up to 12s .. .. .	3.75		
(ii) Over 12s up to and including 24s .. .. .	3.25		
(iii) Over 24s up to and including 36s .. .. .	3.00		
(iv) Over 36s up to and including 50s .. .. .	2.50		
(v) Over 50s .. .. .	2.00		
(2) Bobbin carriers, bobbin coolies, doff carriers, doff coolies, and other coolies .. .. .		30	0 0
(3) Ring piecers attending warp frames : Up to and including 200 spindles .. .. .		34	2 0
(i) Over 200 spindles, the piecers should be paid Rs. 1-2-0 per every 20 spindles or part thereof.			
(ii) For weft frames an allowance of Rs. 1-8-0 should be paid over and above the wage rate applicable to warp frames with the same number of spindles.			
(iii) The piecer minding weft and warp frames, spinning 18s count and below, should be given an additional allowance of 12½ per cent.			
(4) Doffing mukadams .. .. .		52	0 0

8. *Yarn Bundling Department :*

(1) Weighers .. .. .	35	12	0
(2) Knotters .. .. .	37	6	0
(3) Pressers and bundlers .. .. .	37	6	0
(4) Wrappers .. .. .	32	8	0
(5) Labellers .. .. .	32	8	0
(6) Bundle boys .. .. .	32	8	0

9. *Carding, Spinning (Misc.) and Line Levelling Departments :*

(1) Rope splicers .. .. .	40	10	0
(2) Ticket boys, number markers, wrapping boys .. .. .	32	8	0
(3) Fitter coolies .. .. .	30	0	0
(4) Head roller coverers .. .. .	40	10	0
(5) Assistant roller coverers .. .. .	37	6	0
(6) Tubular and cone banding machineman .. .. .	35	12	0



Standard wages.  
26 working days in  
a calendar month.

Rs. a. p.

10. *Winding and Warping Departments :*

(1) Number markers .. .. .	32	8	0
(2) Bobbin carriers .. .. .	30	0	0
(3) Beam carriers .. .. .	36	9	0
(4) Creelers or reel boys .. .. .	30	0	0

11. *Sizing Department :*

(1) Beam carriers .. .. .	38	3	0
(2) Head size mixers .. .. .	42	4	0
(3) Assistant size mixers .. .. .	35	12	0
(4) Front sizers .. .. .	91	0	0
(5) Back sizers .. .. .	52	0	0

12. *Drawers-in or Beaming Department :*

(1) Beam carriers .. .. .	38	3	0
(2) Heald cleaners and repairers .. .. .	35	12	0
(3) Reed repairers .. .. .	35	12	0

13. *Weaving (Misc.) and Line Levelling Departments :*

(1) Beam carriers .. .. .	38	3	0
(2) Weft mukadams .. .. .	35	12	0
(3) Weft coolies or weft carriers .. .. .	30	0	0
(4) Loom cleaners and oilers .. .. .	37	6	0
(5) Line levelling coolies .. .. .	30	0	0

14. *Warehouse, Calendering, Finishing and Folding Departments :*

(1) Head cutlookers .. .. .	52	0	0
(2) Cutlookers .. .. .	42	4	0
(3) Stitchers and sewers .. .. .	30	0	0
(4) Damping men .. .. .	32	8	0
(5) Front calendermen .. .. .	40	10	0
(6) Back calendermen .. .. .	35	12	0
(7) Finishers .. .. .	35	12	0
(8) Front machine folder .. .. .	35	12	0
(9) Back machine folders .. .. .	34	2	0
(10) Hand or table folders .. .. .	35	12	0
(11) Head stampers .. .. .	40	10	0
(12) Assistant stampers .. .. .	35	12	0
(13) Ticket appliers and bundlers .. .. .	32	8	0
(14) Bundle carriers or cloth coolies .. .. .	30	0	0
(15) Piece checkers, sorters and measurers .. .. .	34	2	0
(16) Scale boys .. .. .	32	8	0
(17) Number markers .. .. .	32	8	0
(18) Tally board boys .. .. .	32	8	0

15. *Cloth and Yarn Baling Department :*

(1) Bale markers .. .. .	32	8	0
(2) Hoopment or hoop cutters .. .. .	30	0	0
(3) Navganis, bale stackers and bale coolies .. .. .	34	2	0

## SCHEDULE II.

## PIECE WORKERS.

(1) *Speed Frame Tenters :*

Piece rates in the speed frame department should be fixed by individual mills so as to yield to a full-time employee, working on any of the speed frame machine, the following average earnings for a month of 26 working days :—

	Rs. a. p.
<i>Drawings :</i>	
(i) 1 man per each head .. .. .	34 2 0
(ii) 2 men per three heads .. .. .	42 4 0
<i>Slubbing : with Back Tenters :</i>	
(i) Up to 80 spindles .. .. .	35 12 0
(ii) Up to 81 to 95 spindles .. .. .	40 10 0
(iii) 96 spindles and over .. .. .	42 4 0
<i>Intermediate :</i>	
(i) Up to 100 spindles .. .. .	34 2 0
(ii) For every 10 or part of 10 spindles .. .. .	An increase of Rs. 1-4-0 should be given.
	Rs. a. p.
<i>Roving :</i>	
(i) Up to 150 spindles .. .. .	34 2 0
(ii) For every 12 or part of 12 spindles .. .. .	An increase of Rs. 1-4-0 should be given.

(2) *Reeling Department :*

The standard taken is hand reels of 40s spindles per reel with 7 leas straight reeling and 2 reelers per reel up to 38s count :—

Count reeled.	Per doff of 40 standard hanks (rates in pies).
4s .. .. .	25
6/6½s .. .. .	21
8/8½s .. .. .	18
10/10½s .. .. .	15
12/12½s .. .. .	14
14/14½s .. .. .	12.5
16s .. .. .	12
18s .. .. .	11.5
20s to 26s .. .. .	10.5
28s to 38s .. .. .	10
Over 38s .. .. .	7.5

(1 reeler irrespective of  
hand or power reel).

The above list of rates is for 5" and 6" twist bobbins. If the yarn is reeled from weft bobbins, the above rates for different counts should be increased by 20 per cent.

For single cross reeling rates should be decreased by 5 per cent. For double cross reeling rates should be decreased by 10 per cent. For two-fold yarn, rates should be as resultant counts.

(3) *Winders :*

The piece-rates in the winding department should be fixed by individual mills so as to yield to a full-time employee the following average earnings for a month of 26 working days :—

	Rs.	a.	p.
(i) Grey winding .. .. .	32	8	0
(ii) Grey winding on high speed machines and pirn winding ..	34	2	0
(iii) Colour and artificial silk winding .. .. .	35	12	0

(4) *Warpers :*

The piece-rates in the warping department should be so fixed by individual mills so as to yield to a full-time employee the following average earnings for a month of 26 working days :—

	Rs.	a.	p.
(i) Warper minding single machine .. .. .	56	14	0
(ii) High speed warper .. .. .	65	12	0
(iii) Warper minding two machines .. .. .	80	7	0

(5) *Drawers-in :*

In the drawing-in department, the piece-rates should be so fixed by individual mills so as to yield to a full-time drawer-in an average earnings of Rs. 56-14-0 per month of 26 working days.

The full-time reacher should get Rs. 34-2-0.

(6) *Weavers :*

This standard is determined on the basis of 36 pies for weaving 10 yards of cloth on 44" loom. The standard specifications, for this purpose, are taken as 18s warp and 18s weft, with 40s reed two in a dent and 40 picks per inch variations over these specifications in the form of allowances to be deducted or added, are provided below :—

Deductions to be made for looms with a lesser reed space : 1½ per cent. to be deducted per inch below 44" up to 32". For looms from 32" to 25", the deduction will be made in the following manner : 1½ per cent. to be deducted from 44" up to 32", and below 32", the rate of deduction to be 1 per cent. per inch. For looms below 25", no deduction to be made, and on such a loom, the rate for 25" to be given.

Allowances for looms with a greater reed space : For looms above 44", the allowances to be added as follows : 1½ per cent. per inch from 44" to 50"—an additional allowance of 2½ per cent. per inch for 51" and 52", and a further addition of 2½ per cent. per inch from 53" to 64" and a further addition of 3 per cent. per inch from 65 and upward.

*Basic Rates for Main Loom Widths.*

Looms.	Rates in pies.	Looms.	Rates in pies.
25"	28.08	54"	42.66
26"	28.44	56"	44.46
28"	29.16	58"	46.26
30"	29.88	60"	48.06
32"	30.60	62"	49.86
34"	31.50	64"	51.66
36"	32.40	66"	53.82
38"	33.30	68"	55.98
40"	34.20	70"	58.14
42"	35.10	72"	60.30
44"	36.0	74"	62.46
45"	36.54	76"	64.62
46"	37.08	78"	66.78
47"	37.62	80"	68.94
48"	38.16	90"	79.74
50"	39.24	100"	90.54
52"	40.86		

Notes—(1) The term "plain cloth-grey" for the purposes of this list includes cloth

containing no colour except up to 16 ends of colour in the selvages. The term also include cloths of twill weave woven on a tappet loom on not more than 4 shafts but excludes drills

Rates for any cloth should be calculated on the actual width of the loom on which the cloth is woven.

- (2) The rates to be paid when three, four, or six-loom system is adopted should be :—  
 (i) Three loom system—Five-sixth of the standard rates.  
 (ii) Four loom system—Three-fourths of the standard rates.  
 (iii) Six loom system—Two-thirds of the standard rates.
- (3) This standard does not apply to automatic looms.

### Allowances.

	WEFT.								
	Upto 5½" lift.			6" lift.			Over 6" lift and Universal Pirns.		
	Below 42" loom	42" and below 52"	52" and over	Below 42" loom	42" and below 52"	52" and over	Below 42" loom	42" and below 52"	52" and over
	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.
3s and below	..	..	..	..	..	..	..	..	..
4s	..	..	..	..	..	..	..	..	..
5s	..	..	..	..	..	..	..	..	..
6s	..	..	..	..	..	..	..	..	..
7s	..	..	..	..	..	..	..	..	..
8s	..	..	..	..	..	..	..	..	..
9s	..	..	..	..	..	..	..	..	..
10s	..	..	..	..	..	..	..	..	..
11s	..	..	..	..	..	..	..	..	..
12s	..	..	..	..	..	..	..	..	..
13s	..	..	..	..	..	..	..	..	..
14s	..	..	..	..	..	..	..	..	..
15s	..	..	..	..	..	..	..	..	..
16s	..	..	..	..	..	..	..	..	..
17s	..	..	..	..	..	..	..	..	..

Notes.—*Dosuti Weft*, i.e., rewound two ends up, count to be calculated as resultant count, e.g., if 16s dosuti weft on universal pirns is used, allowance to be as for 8s in appropriate universal column.

*Folded Weft*.—Count to be treated as resultant count plus 2 counts, e.g., 2/16s would have the allowance applicable to 10s single yarn ; 3/30s would have the allowance applicable to 12s single yarn. If two different counts of weft are used in a checkloom the allowance applicable would be the allowance applicable to the weighted average of the two columns used : e.g., if the checking was 8 picks of 20s and 24 picks of 8s, the allowance payable would be the allowance appropriate to 11s single yarn.

$$\begin{aligned} 8 \text{ picks of } 20\text{s} &= 160 \\ 24 \text{ ,, ,, } 8\text{s} &= 192 \end{aligned}$$

352 divided by 32.

Average count—11s.

### REED :

Counts of Warp.	Standard.	
	Ends per inch in reed permissible without allowance in 2 per dent sorts.	Ends per inch permissible without allowance drills satens and ducks woven 3 or more ends per dent.
	(1)	(2)
Upto and including 8s	28	42
Above 8s and upto and including 12s	32	48
"  12s  "  "  "  14s	36	54
"  14s  "  "  "  18s	40	60
"  18s  "  "  "  22s	44	66
"  22s  "  "  "  26s	48	72
"  26s  "  "  "  30s	52	78
"  30s  "  "  "  40s	60	90
"  40s  "  "  "  50s	64	96
Above 50s	72	108

In the case of cloths woven two ends per dent, an allowance of 1 per cent. to be given for every two ends in excess of the figures given in column (1).

In the case of drills woven 3 ends in a dent, an allowance of 1 per cent. to be given for every 3 ends in excess of the figures in column (2).

If a drill is woven 4 or 5 ends in a dent, an allowance of 1 per cent. to be given for every 4 or 5 ends in excess of the figures given in column (2).

When plain cloth is woven 4 ends in a dent, the permissible ends per inch in reed would be as in column (1), i.e., if a cloth is woven in a 36" reed, 4 in a dent, the allowance would be calculated as if there were 72 reeds, 2 in a dent.

**HIGH PICK**

For plain and stave work cloths, allowance to be given as under :—

	35s Weft and under	Above 35s weft		Allowance
Picks per inch	61 to 64	73 to 76	Add	1 per cent.
	65 to 68	77 to 80	„	2 per cent.
	69 to 72	81 to 84	„	3 per cent.
	73 to 76	85 to 88	„	4 per cent.
	77 to 80	89 to 92	„	5 per cent.
	81 to 84	93 to 96	„	6 per cent.
	85 to 88	97 to 100	„	7 per cent.
	89 to 92	101 to 104	„	8 per cent.
	93 to 96	105 to 108	„	9 per cent.
	97 to 100	109 to 112	„	10 per cent.
	101 to 104	113 to 116	„	11 per cent.
	105 to 108	117 to 120	„	12 per cent.
	109 to 112	121 to 124	„	13 per cent.
	113 to 116	125 to 128	„	14 per cent.
	117 to 120	129 to 132	„	15 per cent.

Note.—In the case of twills, drills and weft faced sateens, half the above allowance to be given.

**FINE WARP**

30s to 40s	.. .. .	2½ per cent.
41s to 50s	.. .. .	5 per cent.
51s to 60s	.. .. .	7½ per cent.
61s to 80s	.. .. .	10 per cent.
Over 80s	.. .. .	15 per cent.

**COLOUR AND ARTIFICIAL SILK WARP**

	Colour Allowance
Upto and including 25 per cent. of the total number of warp ends .. .. .	5 per cent.
26 per cent. to 50 per cent. .. .. .	10 per cent.
51 per cent. to 100 per cent. .. .. .	15 per cent.
	<b>Art Silk Allowance</b>
	(Single)
Upto and including 15 per cent. .. .. .	5 per cent.
16 per cent. to 25 per cent. .. .. .	10 per cent.
26 per cent. to 50 per cent. .. .. .	15 per cent.
51 per cent. to 75 per cent. .. .. .	25 per cent.
76 per cent. to 100 per cent. .. .. .	35 per cent.

Where single colour and single artificial silk are both used in warp, the percentage of colour and artificial silk to be taken out separately and the appropriate allowance for each to be given.

For doubled colour yarn, half the single colour allowance to be given.

When two-fold artificial silk is used, or when artificial silk is doubled with cotton yarn, the allowance to be given as per the coloured yarn allowance and, and not as per the artificial silk allowance.

No allowance to be given for less than 17 ends of colour or artificial silk in the warp or when colour is used only in selvages.

The above allowances are not payable for colour or artificial silk in the borders or patches of dhotees and sarees.

**ARTIFICIAL SILK WEFT OR COLOURED WEFT**

Artificial silk weft .. .. .	5 per cent.
Coloured weft .. .. .	3 per cent.

*Note.*—This allowance only to be given in single shuttle sorts, It is not to be given in drop box sorts.

**DROP BOX**

	Shuttles		
	2	3	4
Upto 40" .. .. .	40	45	50
41" to 50" .. .. .	35	40	45
51" to 60" .. .. .	30	35	40
61" and over .. .. .	25	30	35

When one-shuttle sorts are woven in drop box looms, the allowances in left hand column less 10 per cent. to be given ; e.g., for a plain cloth woven in a 40" drop box loom, the allowance to be given is 30 per cent.

**DOBBY SHAFT WORK IN THE BODY.**

1 to 6 staves .. .. .	5 per cent.
For each additional stave, <i>add</i> .. .. .	1 per cent.

The above allowances are not to be given for patcha stripes or skirt border dhotees which are provided for separately.

**CUMBER BOARD WORK IN DHOTEES AND SAREES OF ALL SORTS INCLUDING PATCHA STRIPES AND SKIRT BORDERS.**

From 1 to 8 jacks .. .. .	4 per cent.
From 9 to 16 jacks .. .. .	6 per cent.
From 17 to 24 jacks .. .. .	9 per cent.
From 25 to 32 jacks .. .. .	12 per cent.
From 33 to 40 jacks .. .. .	15 per cent.

**JACQUARD ALLOWANCES.**

Up to 100 hook jacquards .. .. .	20 per cent.
101 to 200 hook jacquards .. .. .	25 per cent.
201 to 300 hook jacquards .. .. .	30 per cent.
301 to 400 hook jacquards .. .. .	35 per cent.

In dhotee and saree sorts, which have shaft work in the body and doobby cumber board work in the border the total shaft allowance to be the sum of the appropriate shaft and cumber board allowances; e.g., a saree with a doobby pattern on 10 shafts in the body and a fancy border requiring 10 jacks, the total allowance would be as under :—

10 shafts in the body .. .. .	8 per cent.
10 jacks in border .. .. .	6 per cent.
<b>Total .. .. .</b>	<b>14 per cent.</b>

In saree cloths in which there is a jacquard design in the body and a jacquard border the allowance to be paid according to allowances for jacquard all-over styles. No separate allowance to be payable for jacquard borders in such cloths.

**BORDERS OF DHOTEES AND SAREES.**

For a border on each side.	Dhotees without patcha. (1)	Dhotees and sarees with patcha. (2)
Up to $\frac{1}{8}$ "	2 per cent.	3 per cent.
Over $\frac{1}{8}$ " to $1.1\frac{1}{2}$ "	4 per cent.	5 per cent.
Over $1\frac{1}{2}$ " to $1\frac{3}{4}$ "	6 per cent.	$7\frac{1}{2}$ per cent.
Over $1\frac{3}{4}$ " to $2\frac{1}{2}$ "	8 per cent.	10 per cent.
Over $2\frac{1}{2}$ " to $3\frac{1}{2}$ "	12 per cent.	15 per cent.
Over $3\frac{1}{2}$ "	15 per cent.	17 per cent.

*Note*—The above allowances are additional to any allowances for lumber board work.

**HEADINGS IN SHORT LENGTH SORTS.**

(The allowance to be calculated for the length per pair except for sarees where it would be per piece):—

1 per cent. for 10 yards.	$7\frac{1}{2}$ per cent. for 5 yards.
2 per cent. for 9 yards.	9 per cent. for 4 yards.
3 per cent. for 8 yards.	11 per cent. for 3 yards.
$4\frac{1}{2}$ per cent. for 7 yards.	13 per cent. for 2 yards.
6 per cent. for 6 yards.	15 per cent. for 1 yard.

For cholas with 4 headings per pair.

2 per cent. chola heading in addition to above (e.g.) chola 8 yards long :

2 per cent. allowance for chola heading, plus 3 per cent. as per list—Total : 5 per cent.

Additional shuttle changes for headings in sarees and dhotees :

Up to 8 shuttle changes per heading average	Nil.
9 to 15 shuttle changes per heading average	2 per cent.
16 to 20 shuttle changes per heading average	4 per cent.

Over 20 shuttle changes, add 1 per cent. for every 5 changes over and above the allowance for 20 shuttle changes.

The allowances to be given by adding together the shuttle changes in each heading in the saree and dividing by 2.

**SPLITS**

Add 3 per cent. for first cut split.

Add 2 per cent. for each additional cut split.

*Pick finding :*

Where pick finding is insisted upon, 3 per cent. should be paid in cloth woven in any width with 84 ends per inch and below and 6 per cent. in cloth woven finer than 84 ends per inch and above.

*Crammed Stripes :*

No allowance to be paid for yarn extra dented in the reed unless the average ends per inch in the cloth are high enough to come within the fine reed allowance, which will then apply.

*Double drawn warps :*

Double drawn warps (dosuti) to be treated as an increase in reed of  $12\frac{1}{2}$  per cent., e.g., 16s warp dosuti in 48 reed would be treated as 54 reed and have 3 per cent. allowance added as per list.

**Mixed Denting :**

Average reed to be taken for allowance.

*Example.*—Total number of end, say, 2,200 divided by reed space, say, 28 = 78 reed with 24s warp would have an allowance of 11 per cent. added.

**Two-beam sorts :**

Allowance of 2½ per cent.

Allowance of 5 per cent. when more than 2 looms are worked.

**SCHEDULE III.**

All time and piece-work employees not included in Schedules I and II, should be given an increase on their present basic earnings (excluding only the current dearness allowance) according to the following basis :—

- (1) No employee in the industry should get less than Rs. 30 per month of 26 working days, that is, such employees should be raised up to Rs. 30.
- (2) Employees whose present earnings are more than Rs. 30 per month, should get an increase of 20 per cent.
- (3) Employees whose present earnings are more than Rs. 50, but less than Rs. 80 per month, should get an increase of 15 per cent.
- (4) Employees getting more than Rs. 80 per month should get an increase of 10 per cent.

*Statement filed by the Millowners' Association, Bombay, on 18th February 1947 to the Industrial Court, Bombay, on its own behalf and on behalf of the Employer Companies mentioned in the References Nos. 1, 4 and 5 Re : Assessors' Report.*

The Millowners' Association representing the cotton textile mills in Bombay in the above References, being aggrieved by the Report made by the Assessors on 11th January 1947 in the above matter, objects and takes exceptions to the said Report on the following amongst other grounds :—

1. The first nine paragraphs of the Assessors' Report appear to be a summarised recital of the respective points of view placed before the Assessors by the parties. While the petitioners do not entirely agree with every statement made therein, they would, bearing in mind the desirability of expediting the disposal of the references by the Court, confine their observations to the recommendations made by the Assessors.

2. The petitioners beg to submit, at the outset, that they are unable to agree with or accept the Assessors' main recommendations regarding wage increases generally, for the reason that the proposed increases, together with certain other financial burdens, which have already been, or will shortly be, imposed on the industry, and to which the Assessors do not appear to have given any consideration, will involve a heavy commitment, which the industry would not be able to meet.

The Assessors' recommendations, so far as the petitioners can, at the limited time at their disposal, make out, impose an average wage increase of about 30 per cent. on basic wages, which is equivalent to about Rs. 2.57 crores per year for the Bombay cotton mill industry. Holidays with pay accrued in respect of services rendered in 1945 and 1946 will cost about Rs. 90 lakhs in 1947, and at least Rs. 45 lakhs in respect of every year from 1947 onwards even on the basis of current rates of wages and dearness allowance. Sickness insurance, which is already before the Legislature in the shape of a Bill, will, it is estimated, cost the Bombay cotton mill industry another Rs. 90 lakhs per annum at current levels of wages. It is the petitioners' humble submission that, taking into consideration current trade



conditions and conditions which may reasonably be expected to accrue, the industry will not be able to bear this burden.

3. In para 10 of their report, the Assessors have recommended that no employee working in the textile industry in the city of Bombay should get less than Rs. 30 for a month of 26 working days. The petitioners are unable to accept this recommendation. Apart from the fact that they were not directed to submit proposals for a minimum wage, or a living wage standard, the Assessors have failed to advance any argument for the fixation of a minimum wage at Rs. 30 per month.

Having fixed a minimum wage of Rs. 30, the Assessors state that they

“have considered the differentials in the light of the work, skill, strain, and other conditions of work involved in different processes, comprising the textile industry.”

The petitioners admit that these certainly represent some of the factors which should have been taken into account when fixing the wages of different occupations, but they submit that it was hardly possible for the Assessors, within the short time at their disposal, to arrive at a considered conclusion on this very important point which requires long and detailed consideration.

In England, two separate expert committees tackled the question of the revision of the standard wage lists for spinning and weaving, on a practically whole-time job, and one committee, namely, the Hughes Committee, have not yet finished their examinations of the problem of weaving wages and submitted their report to Government though they have been at work consistently for well over two months and have had the benefit of a report prepared previously by a skilled Technical Committee which had taken over twelve months in preparing same. This at once brings out clearly the amount of consideration and close attention which such matters deserve.

4. *Para 11 of Assessors' Report.*—In paragraph 11, the Assessors state that they have framed their standardization scheme taking into consideration, among other factors, the state of the economic and social conditions of the employees working in the industry, which they state, require to be raised up, etc., etc. These are expressions of opinion without any corroborating facts or evidence, which the petitioners regret they are unable to accept.

5. *Para 12 of Assessors' Report.*—The Assessors have erred in the sense that they have mixed up two issues in this paragraph. In the first part of the paragraph they refer to an improvement in the position of the industry as compared with 1938. It is stated that the industry, together with a sum of Rs. 4 crores, which it would have in 1946-47, would have a cash surplus of Rs. 27 crores for a gradual replacement of the plant for the next ten years. The Assessors further state that, during this period of ten years, a further accretion to this amount of 27 crores is reasonably expected. In the latter part of the paragraph, the Assessors' line of reasoning is that, if the industry could be made to carry a burden equivalent to 12½ per cent. of the wage bill in 1938 when it made only under Rs. 2 crores, it could reasonably be asked to take a bigger load now when the profit, according to them, is Rs. 15 crores.

The petitioners' reply to the first argument is that, as has already been pointed out, the Assessors have, in making their recommendations, failed to take into account the burdens which have already been, and which are likely to be, imposed on the industry in the immediate future and the trend of profits. This matter has already been referred to in a previous paragraph, and will be further elaborated later. The answer to the second point is that the 12½ per cent. increase was virtually forced on the industry. The industry protested against it and had asked repeatedly for its cancellation: and the petitioners submit that, if the war had not intervened, that burden might very well have been the proverbial last straw on the camel's back.

The Assessors have mentioned a figure of Rs. 15 crores as the profits of the industry in 1946-47. There seems to be some error here, for, according to the petitioners, the profits of 1946-47, without making any allowance for depreciation and taxation, are expected to be about Rs. 13 crores. If proper allowances were made for depreciation, taxation and holidays with pay, this figure would be reduced to less than Rs. 5 crores to be utilised for paying

a dividend and building up a reserve. The effect of the wage increases recommended by the Assessors would be reflected in the 1947-48 trading accounts, and though the Assessors say that

"The industry . . . should look forward with hope and exhilaration towards the future instead of viewing it with undue pessimism,"

the trend of events do not justify any such hope for optimism.

In this connection, the petitioners crave leave to respectfully draw the attention of the Court to the following considerations which, in their opinion, are calculated to bring about a considerable reduction in profits in the year 1947-48 :—

- (a) Though the war has ended, prices of raw materials, including cotton, mill stores, etc., are definitely on the increase. For instance, mills have now to pay Rs. 70 more for East African cotton, and there is also no likelihood of mills getting cheaper cotton.
- (b) Circumstances being what they are, there is no likelihood of higher prices being realised for yarn and cloth to compensate adequately the rise in the prices of raw materials, mill stores, manufacturing costs including labour costs, and overhead charges.
- (c) The effect of the reduction in hours of work would be reflected to an increased degree in the trading results of 1947-48 than of 1946-47 for the reason that hours of work were reduced only from August 1946. The industry continues to pay for the 8-hour day the same level of wages it was paying for the 9-hour day. Reduction in hours of work has not been offset by an increase in production; on the other hand, production has deteriorated to the extent of the hour dropped, quite apart from production lost due to strikes, *hartals* and absenteeism, the result being that wages and overheads would have to be distributed over a lesser output resulting in an increase in the cost of production per unit of cloth or yarn and a consequent shrinkage in the margin of profits.

6. Taking, however, a reasonable view of things, the petitioners estimate that gross profits in the year 1947-48 would be about 33½ per cent. below the 1946-47 figure, or about Rs. 8.7 crores, without making any allowance for :

- (a) Increase in wages already recommended by the Assessors.
- (b) Holidays with pay on the revised scale of wages recommended by the Assessors.
- (c) Sickness insurance on the revised scale of wages recommended by the Assessors.
- (d) Depreciation.
- (e) Income-tax.

If adjustments were made for the abovementioned factors, the profits available for building up reserves and the payment of a dividend would work out as follows :—

	Estimated gross profits for 1947-48 on the basis of current levels of wages, etc.	Rs. 8.70 crores.
Less :	(a) Increased basic wage	Rs. 2.57 crores.
at	(b) Cost of holidays with pay for one year	„ 0.45 „
current		
wage	(c) Sickness insurance	„ 0.90 „
levels.		
		Rs. 3.92 „
	Balance	Rs. 4.78 crores.
	Less : Depreciation (approximate)	„ 1.30 „
	Balance	Rs. 3.48 crores.
	Less : Income-tax at the present rate of six annas in the rupee (approximate)	„ 1.31 „
	Balance available for building up reserve fund and for payment of a dividend	Rs. 2.17 crores.
		or
		Rs. 2,17 lakhs.

The industry in Bombay represents a paid-up capital of roughly Rs. 15½ crores, with a block of Rs. 36 crores (original value), out of which machinery alone comes to Rs. 24 crores (original value). The industry is in need of rehabilitation and modernisation. Machinery costs—which are based only on nominal quotations—are anything from 2½ to 3 times the pre-war figures, and there is no likelihood of these prices declining to any extent in the immediate future. The cost of replacing and modernising the entire block of machinery would be in the neighbourhood of about Rs. 72 crores. As pointed out by the Assessors, the cash surplus in the hands of the industry amounts to approximately Rs. 27 crores, and the difference, namely, Rs. 45 crores, has to be built up within a reasonable number of years, apart from giving a reasonable return to shareholders. This, it would be impossible to do, if the Assessors' proposals were accepted.

7. *Para 13 of the Assessors' Report.*—The Assessors state :

“The advance we have recommended is such that the Industry can pay without any detriment to its future well-being.”

The petitioners submit that the Assessors have failed to substantiate this statement. In their paragraph 6, the petitioners have given figures which prove that the industry will not be able to bear the burden without serious detriment to its future well-being.

8. *Para 14 of the Assessors' Report.*—At one stage in the proceedings before them, the Assessors said that the work load factor is outside their terms of reference. Yet, the very same factor seems to have been considered in fixing up the complement of doffer boys, etc., per 1,000 spindles, and in recommending additional remuneration for ring piecers working on counts below 18s. The petitioners, therefore, regret their inability to accept the standards laid down.

9. Before passing on to Schedules I, II and III, the petitioners feel that they owe it to themselves and to their members that they should place before the Honourable Court certain matters which have been agitating in their minds for some time. In their anxiety to help the Assessors in arriving at fair and reasonable conclusions, the petitioners had given all possible co-operation to the Assessors, in return for which they have received a report which, in brief, and quite apart from the drawbacks already pointed out by the petitioners, only seeks to set the stamp of official authority on the personal and preconceived opinions of the Assessors. The petitioners are grieved to make this statement, but they do so, not with any feeling of resentment or reproach, but in the earnest desire that they must open out their hearts to this Honourable Court before it issues its final orders. The appointment of the Assessors was announced by an order of this Court dated 2nd October 1946. Mr. Khandubhai K. Desai was the Secretary of the Textile Labour Association, Ahmedabad, a position which he even now holds. On the 4th November 1946, Mr. Desai published a pamphlet, in which he expressed certain personal views on the cotton textile industry, which, the petitioners submit, he should not have published, knowing as he did that some at least of the opinions expressed by him had a direct bearing on certain matters, which were then *sub judice* before him as an Assessor appointed by the Court. On 27th December 1946, when the proceedings before the Assessors had not concluded, the Textile Labour Association of Ahmedabad, of which Mr. Desai was and is still the Secretary, asked the Millowners' Association, Ahmedabad for a minimum wage of Rs. 30. The petitioners regret to have to draw inferences, but it is clear that Mr. Desai had made up his mind about a minimum wage of Rs. 30 in Bombay even before the proceedings had closed.

#### SCHEDULES I, II AND III.

##### *General Submissions.*

(1) Unskilled workers are now brought very close in earnings to those of skilled workers regardless of the repercussions on skilled workers in the industry and workers in other industries and trade generally.

(2) No special rates of pay have been fixed for trainees, learners and apprentices.

(3) The need of the day is for a wage policy on a nation-wide scale, and haphazard cash increases such as those recommended by the Assessors for the Bombay cotton mill industry as a result of “blackmail,” strikes or other tactics of labour, would have their unfortunate repercussions on other industries and on commodity prices and cost of living in the country.

(4) No case has been made out by the Assessors for any radical departure from either the structure or rates indicated in the standardization scheme submitted by the Association to the Assessors.

(5) The level of wages recommended by the Assessors, in combination with other burdens which have already been or will shortly be imposed, will place such a heavy burden, which the industry will not be able to bear.

(6) It is not clear whether the Assessors' recommendations cover those employed in mill grain shops, mill canteens, mill creche, mill dispensary, and in other occupations not directly connected with the process of manufacture including the watch and ward staff and the office staff. The employment of these people is not peculiar to the cotton mills, and in the absence of a specific clause limiting the application of Schedules I, II and III to persons employed in a room or department, where some manufacturing process connected with cotton spinning and weaving is carried on, disputes are likely to occur.

#### SCHEDULE II.

The petitioners' submission on Schedule II made below are without prejudice to their contention that no case has been made out by the Assessors for any change in the structure, differentials, rates of wages and allowances prescribed in the standardization scheme submitted by the Association to the Assessors :

*Assessors' item (1)—Speed frame tenters—slubbing tenters with back tenters.*—It is not the general practice to have back tenters in Bombay, and the grading proposed is not equitable.

*Assessors' item (2)—Reeling department.*—Piecework rates prescribed by the Assessors yield a very high wage ranging from Rs. 39-8-0 per month (basic) on 10s singles to about Rs. 34 (basic) on 36s.

*Assessors' item (3)—Winders.*—Grey winders, according to the Assessors, are getting less than high speed winders, which should not be the case.

*Assessors' item (6)—Weavers.*—Even the scale of allowances fixed by the Bombay Textile Labour Inquiry Committee in their Report, was on the generous side. The Assessors have raised the basic rate and also some of the percentage allowances, apparently overlooking the fact that the increase in basics alone will automatically yield an increased quantum of allowance. They have not also advanced any justification for increasing the percentage allowances. Further, the Assessors have altered the basic rates for weaving from cloth width to loom width, for no reason whatever.

#### SCHEDULE III.

The petitioners' submissions on Schedule III made below are without prejudice to their contention that no case has been made out by the Assessors for any change in the structure, differentials, rates of wages and allowances laid down in the Standardization Scheme submitted by the Association to the Assessors.

Apart from the fact that the Assessors have not given any indication whatsoever of the workers who would come in Schedule III, they have given in sub-paragraph (4) an increase of 10 per cent. to every employee getting more than Rs. 80 per month.

The Assessors also do not say whether the employees, like head jobbers, who are remunerated on the basis of a percentage on the earnings of the weavers coming under their control, would be covered by Schedule III. The fact in such cases is that, if the weavers get an increase in wages, then their respective jobbers would automatically get an increase in wages, and there is no room for any further increase.

The Association craves leave to add to, amend, or vary the aforesaid objections or any of them as they may be advised.

*Copy of letter No. 78, dated 25th February 1947, from the Association to the Secretary, Industrial Court, Bombay.*

I am directed to invite your attention to my letter No. 78 dated the 8th January 1947, with which were enclosed copies of a skeleton scheme of wages relating to the time and piece-work occupations in cotton mills in Bombay, prepared by the Association.

At the short time which the Association's representatives had at their disposal when presenting the case before the Assessors, it was not possible for them to prepare and submit their recommendations regarding the percentage additions to be made to basic weaving rates for coarse weft, colour, fine warp, etc. This matter has since been carefully considered, and, as promised by the Association's representatives when they appeared before the Assessors, I enclose herewith for consideration of the Assessors and the Industrial Court, the Association's recommendations regarding these allowances. I would like to explain that the allowance suggested by the Association in the scheme forwarded by it in 1939 to the Bombay Textile Labour Inquiry Committee, were based on a rate of 22.08 pies per 10 yards of 40 picks per inch on a 44" loom.

On further examination and consideration, certain adjustments in the allowances have been found necessary and absolutely essential and the revised allowances have been put down in the enclosed scheme. The revised allowances are on the basis of the basic rate being 22.08 pies for weaving 10 yards on a 44" loom at 10 picks in a quarter of an inch. If the basic rate is increased from 22.08 pies, the revised allowances would have to be reduced in the same proportion as the basic rate is increased from 22.08 pies.

In the skeleton scheme submitted by us to the Assessors, we have suggested increasing the basic rate from 22.08 pies to 29 pies, but we have not accordingly adjusted the weaving allowances. The weaving allowances can only be finally settled when we know definitely what the basic rate is going to be.

In the scheme submitted to the Assessors with my letter No. 78 dated the 8th January 1947, it was stated that the Association was trying to prepare a scheme for reeling rates. This scheme has since been prepared, and a copy is enclosed herewith for the consideration of the Assessors and the Industrial Court.

#### WEAVING—ALLOWANCES.

*Weft allowances.*—As per page 140 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Reed allowances.*—As per page 141 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change, except that in paragraphs 2 and 3 of the footnote, the words "and dobbie cloth" should be added after the word "drills" wherever it occurs.

Add also the following foot-note :—

"Where ground dobbie work is required, the two extra shafts required for plain work for selvedge should not be considered while granting dobbie allowance.

Where folded yarns are put through, the ends per inch in reed permissible without allowance in 2-per dent sorts should be increased by 20 per cent."

*High pick allowance.*—As per page 141 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Fine warp allowance.*—Vide page 142 in Volume II of the Bombay Textile Labour Inquiry Committee's Report. The allowances to be revised as under :—

41s to 50s	2 per cent.
51s to 60s	3 per cent.
61s to 80s	4 per cent.
80s and over	5 per cent.

*Colour warp allowance.*—Vide page 142 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : The allowances to be changed as below :—

Upto and including 25 per cent. colour in the warp	4 per cent.
26 per cent. to 50 per cent. colour in the warp	8 per cent.
51 per cent. to 100 per cent. colour in the warp	10 per cent.

*Allowance for art silk in the warp.*—As per page 142 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

No Change in the foot-notes to the allowances for colour, and art silk in the warp.

*Allowance for art silk in the west.*—As per page 142 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Drop box allowance.*—As per page 142 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Dobby shaft work in ground.*—*Vide* page 143 in Volume II of the Bombay Textile Labour Inquiry Committee's Report. The allowances to be changed as under :—

- 1 to 6 staves . . . . . 3 per cent.
- For each additional stave . . . . . 1 per cent.

*Cumber board work in dhoties, etc.*—As per page 143 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Jacquard borders.*—As per page 143 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Borders of dhoties and saries.*—As per page 144 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Headings in short length sorts.*—As per page 144 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Additional shuttle changes for headings in saries and dhoties.*—As per page 144 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Splits allowance.*—As per page 145 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Pick finding allowance.*—As per page 145 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Drills allowance.*—As per page 145 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Crammed stripes allowance.*—As per page 145 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Allowance for double drawn warps.*—As per page 145 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Allowance for mixed denting.*—As per page 145 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

*Allowance for two-beam sorts.*—As per page 145 in Volume II of the Bombay Textile Labour Inquiry Committee's Report : No Change.

Reeling Pice-Work Rates.

SCHEDULE No. I.

*Consolidated rate list for reeling—hand reels—40 spindles per reel. 7 leas straight reeling—(2 reelers per reel).*

Counts reeled.	Doffs expected per 8 hours.	Rate exclusive of present D.F.A.	Equivalent to
2s	21½ doffs of 20 threads	87 pies per 6 doffs	120 st. hanks.
4s.	18 " 40 "	87 " 5 "	200 "
6s/8½s	21½ " 40 "	87 " 6 "	240 "
8s/8½s	25 " 40 "	87 " 7 "	280 "
10s/10½s	30½ " 40 "	87 " 8½ "	340 "
12/12½s	32 " 40 "	87 " 9 "	380 "
14/14½s	36 " 40 "	87 " 10 "	400 "
16s	37½ " 40 "	87 " 10½ "	420 "
18s	39 " 40 "	87 " 11 "	440 "
20s-26s	43 " 40 "	87 " 12 "	480 "
28s-39s	46½ " 40 "	87 " 13 "	520 "
40s-120s	50½ " 40 "	87 " 14 "	560 "

## SCHEDULE No. II.

Consolidated rate list for reeling—hand reels—40 spindles per reel. 7 leas straight reeling  
—(1 reeler per reel).

Counts reeled.	Doffs expected per 8 hours.	Rate exclusive of present D.F.A.	Equivalent to
10/10 $\frac{1}{2}$ s .. .. .	20 $\frac{1}{2}$ doffs of 40 threads	85 pies per 8 $\frac{1}{2}$ doffs.	340 st. hanks.
12/12 $\frac{1}{2}$ s .. .. .	21 $\frac{1}{2}$ " 40 "	85 " 9 "	380 "
14/14 $\frac{1}{2}$ s .. .. .	24 " 40 "	85 " 10 "	400 "
16s .. .. .	25 " 40 "	85 " 10 $\frac{1}{2}$ "	420 "
18s .. .. .	26 " 40 "	85 " 11 "	440 "
20s-26s .. .. .	29 " 40 "	85 " 12 "	480 "
28s-39s .. .. .	31 " 40 "	85 " 13 "	520 "
40s-120s .. .. .	34 " 40 "	85 " 14 "	560 "

## SCHEDULE No. III.

Consolidated rate list for reeling—power reels—40 spindles per reel. 7 leas straight reeling  
—(1 reeler per reel).

Counts reeled.	Doffs expected per 8 hours.	Rate exclusive of present D.F.A.	Equivalent to
10/10 $\frac{1}{2}$ s .. .. .	22 $\frac{1}{2}$ doffs of 40 threads.	66 pies per 8 $\frac{1}{2}$ doffs	340 st. hanks.
12/12 $\frac{1}{2}$ s .. .. .	23 $\frac{1}{2}$ " 40 "	66 " 9 "	380 "
14/14 $\frac{1}{2}$ s .. .. .	26 $\frac{1}{2}$ " 40 "	66 " 10 "	400 "
16s .. .. .	27 $\frac{1}{2}$ " 40 "	66 " 10 $\frac{1}{2}$ "	420 "
18s .. .. .	28 $\frac{1}{2}$ " 40 "	66 " 11 "	440 "
20s-26s .. .. .	32 " 40 "	66 " 12 "	480 "
28s-39s .. .. .	34 " 40 "	66 " 13 "	520 "
40s-120s .. .. .	37 $\frac{1}{2}$ " 40 "	66 " 14 "	560 "

## Footnote.

(1) While reeling from cones or cheese or bottle bobbins or similar large packages, the expected production in Schedules II and III should be increased by 75 per cent. and the rates should be 50 pies instead of 85 pies in Schedule II and 38 pies instead of 66 pies in Schedule III for the number of doffs specified in the Schedules against each rate.

(2) *Single Cross Reeling.*—The rates should be the rate shown in the appropriate Schedules (I, II or III) less 7 $\frac{1}{2}$  per cent.

(3) *Double Cross Reeling.*—The rates should be the rate shown in the appropriate Schedules (I, II or III) less 15 per cent.

(4) *Reeling from West Bobbins.*—Add 15 per cent. to the rates indicated in the appropriate Schedules.

(5) *Double-Tie Hanks.*—Add 5 per cent. to the rates indicated in the appropriate Schedules.

(6) *Folded Yarn Reeling.*—The standard rate is very difficult to fix. Individual mills are at liberty to adjust the rates with a view to aim at a wage for a month of 26 full working days of Rs. 22 per reeler, where two reelers work on a hand-reel; Rs. 24 per reeler where one reeler works on a power reel; and Rs. 28 per reeler where one reeler manages one hand-reel.

AWARD OF THE INDUSTRIAL COURT, BOMBAY, DATED 31ST MAY 1947, PUBLISHED IN THE  
"BOMBAY GOVERNMENT GAZETTE EXTRAORDINARY" DATED 2ND JUNE 1947

Notification issued by the Registrar, Bombay Industrial Disputes Act, 1938 on 2nd June 1947.

No. 29/47.—In exercise of the powers conferred on me under section 50 (2) of the Bombay Industrial Disputes Act, 1938, I have on this 31st day of May 1947, registered the following award made by the Industrial Court in the matter of standardization of wages, increase in the present dearness allowance, etc., to the employees in the cotton textile mills in Bombay City who are the members of the Millowners' Association, Bombay (in reference Nos. 1, 4 and 5).

## AWARD.

## PART I.

These three references have been made to this Court by the Government of Bombay in a dispute between the employees in the textile mills in Bombay and their employers represented by the Millowners' Association, Bombay, under section 49A of the Bombay Industrial Disputes Act. They are made in the following circumstances :

2. On 25th April 1946, the Government of Bombay by a notification, Political and Services Department, No. 9815/34, referred a dispute (Reference No. 1 of 1946) about standardization of wages between the Millowners' Association, Bombay, and its employees in the

cotton textile mills which are their members, to the arbitration of this Court, under section 49A of the Bombay Industrial Disputes Act. At the preliminary hearing held on 15th June 1946, the counsel for the Millowners' Association raised some preliminary objections and contended that the Government notification was not valid and that this Court had no jurisdiction to entertain the reference. In an order made on 19th July 1946, the preliminary objection was overruled and the parties were directed to file their respective statements within a certain period of time. Before the statements were filed, employees from about 8 mills, who were members of the Bombay Girni Kamgar Union (Red Flag) caused notices of change to be served on their respective mills demanding standardization of wages, increase in basic wages, etc. Similarly employees from about 49 others who had joined the Rastriya Mill Mazdoor Sangh also gave notices of change putting forward seven demands including standardization of wages, dearness allowance and bonus, etc. These disputes could not be settled in conciliation. By notifications, Political and Services Department, Nos. 9815/34-I and 9815/34-II issued on 16th August 1946 in supersession of the notification dated the 25th April 1946, Government referred these disputes also to the arbitration of this Court, under section 49A of the Bombay Industrial Disputes Act. These are References Nos. 4 and 5 of 1946 respectively.

3. It was considered desirable that all these references be heard together. Further preliminary hearings were fixed on 30th September 1946 and 2nd October 1946. At these hearings Mr. Khandubhai K. Desai, M.L.A., and Mr. P. V. Gillespie, M.L.A., were appointed as Assessors under rule 61 of the Bombay Industrial Disputes Rules. They were asked to submit their report on the question of standardization of wages and increase in basic wages, if any. Further directions were given to the parties to file their statements, counterstatements and objections to Assessors' report. The Assessors submitted their report on 11th January 1947. The parties took some time to file their objections to the report.

4. These references being important disputes affecting the entire industry in Bombay had to be decided by the Full Bench, and as one of the members, Mr. Justice Rajadhyaksha, was out of Bombay, being engaged in the adjudication of railway dispute, and as the President was busy with other equally important adjudication cases and the bank's dispute, it was not possible to constitute the Full Bench to hear all the three disputes together in one full session. At the request made on behalf of the employees, it was decided that the two important demands in these references namely bonus and standardization of wages be taken for early hearing and disposal. We accordingly heard arguments on these demands on 10th, 11th, 12th, 13th, 14th, 17th and 18th March 1947 and 14th, 15th and 16th April 1947. We had also the benefit of the advice of Prof. C. N. Vakil, Director, School of Economics and Sociology, University of Bombay, who was appointed as an additional Assessor. We have carefully considered both the demands and make the following award. We take the question of bonus first.

#### *Bonus.*

5. As the demand relating to bonus made by the Rastriya Mill Mazdoor Sangh on behalf of employees concerned in Reference No. 5 of 1946 was required to be urgently disposed of because the workers had refused to receive the bonus of 1946 offered to them by the Millowners' Association as inadequate, we heard arguments on that demand first and gave our interim award on 18th March 1947, reserving our order containing the reasons to be published later. We now proceed to give our reasons for the said interim award.

6. The demand as set out in the Political and Services Department Notification No. 9815/34-II, dated 16th August 1946, is for an unconditional and adequate lump allowance as bonus every year out of the increased earnings of the industry on the grounds that the workers have suffered heavily on account of cuts in their wages, strikes, etc., owing to war and that after the war the condition of the textile industry had improved considerably. In their written statement the Rastriya Mill Mazdoor Sangh formulated their claim for the bonus for the year 1946 as equivalent to 25 per cent. of the wages earned during that year and they include in the term "wages" the dearness allowance paid to the workers during that year. The Millowners' Association in their statement denied their liability to pay any bonus on the ground that "bonus" was entirely an *ex-gratia* payment and not a deferred wage as contended on behalf of the employees. They urged that the payment of bonus made



by the member-mills of the Association in the last few years, subject to certain conditions, was quite fair and adequate and that it should be left to the discretion of the employers how much bonus, if any, should be given in any year. As regards bonus for 1946, they contended that a bonus of one-sixth of the total earnings of the employees in that year, subject to certain usual conditions, was already declared on 26th November 1946 and that there were no reasons for changing the same. The dispute between the parties thus is whether for the year 1946 the workers should get one-fourth of the total earnings, i.e., 'three months' earnings as contended on behalf of the employees or one-sixth as offered by the Millowners' Association, and whether any conditions should be attached to the same:

7. On behalf of the employees it is urged that during the war years they had suffered heavily because even though their wages did not come up to the living wage standard of Rs. 50 to Rs. 55 as fixed by the Textile Labour Inquiry Committee, they did not get enough dearness allowance as it neutralised the rise in the cost of living to the extent of only 76 per cent. instead of 100 per cent. They emphasised that though there were enormous profits during the war years, especially from 1942 to 1944 and the shareholders got ample dividends, the workers were given only two months' wages as bonus per year and that too with such strict conditions that the actual total amount of bonus paid was reduced by several lakhs every year. They estimate that more than rupees one crore have been lost to the workers in this way. They say that bonus is a deferred wage and should be paid after providing for dividends at a rate not exceeding 1 per cent. over the bank rate. They further say that the industry is in a prosperous condition even after the payment of excess profits taxes every year and there is an amount of 12 crores as E.P.T. deposits lying with the Government which is to be withdrawn in instalments from 1st April 1947.

8. The Millowners contend that although the profits were fairly large in the war years the state of the industry at present is not such as to afford payment of three months' bonus out of the estimated profits of 1946. Their general argument is that their profits are going down on account of various reasons such as rise in taxation, controlled prices of cloth, reduction of working hours from 9 to 8 per day, cost of holidays with pay, sickness, insurance scheme, etc. As regards the profits of 1946 they say (in Exhibit 26) that out of the estimated gross profits of about rupees 13 crores the following deductions will have to be made namely rupees 0.45 crores for holidays with pay for one year, rupees 1.30 crores for depreciation, rupees 6.15 crores approximately for taxation at 8½ annas in a rupee as fixed in the last budget. Thus a balance of rupees 5.10 crores will remain out of which about rupees 1.75 crores will have to be paid for dividends and the remaining amount will be taken to the reserve fund. For the future, a very large sum amounting to several crores will have to be spent for re-conditioning of old and for purchasing new machinery. They say further that during the lean years from 1923 to 1942 the mill agents have given up more than two crores of rupees in managing agency commission and the shareholders lost about rupees 12 crores in dividends. In these circumstances although they are willing to pay two months' bonus for 1946, they cannot pay three months' bonus as demanded by the employees.

9. As the balance-sheets of all the mills in Bombay are not yet published, it is not possible to arrive at a precise estimate of the condition of the industry in 1946. It is no doubt true that the gross profits of 1946, are not expected to be as much as those of 1945 which were approximately rupees 21 crores, but taking the Millowners' own estimate of rupees 13 crores, we do not think the mills cannot afford to pay more than two months' bonus. According to their own estimate, rupees 5.10 crores would remain as balance for reserves and dividends after making provision for holidays with pay (0.45 crores), depreciation (1.30 crores) and taxes at 8½ annas in a rupee (6.15 crores) (*vide* Exhibit 26). The dividends are expected to amount to about Rs. 1.75 crores. Thus the remaining balance for reserves, etc., would be rupees 3.35 crores. It is true that a large amount will be necessary for renewal of machinery but that expenditure will be spread over a period of about ten years from now and the reserve fund amounts to nearly rupees 12 crores. It is to be noted also that the excess profits deposits which are lying with the Government, amount to rupees 11 crores and ninety lakhs and out of that amount about Rs. 6 crores were expected to be returned on 1st April 1947.

10. The Millowners' Association's contention that bonus is an *ex-gratia* payment is true from the standpoint of civil law which can only enforce the terms of a contract between

the parties, but in the domain of industrial relations between employers and workers the rights and duties of the parties are not governed merely by civil law but by collective bargaining in the settlement of disputes arising out of demands made by one on another for more earnings, better conditions of work and increased production. The justification for such demands as "industrial matter" arises especially when wages fall short of the living wage standard and the industry makes huge profits part of which are due to the contribution which the workers make in increasing production. The demand for a bonus is therefore an industrial claim when either or both these conditions are satisfied. In the present case there is no doubt that both these conditions are satisfied. The present average wage of a textile worker in Bombay, even according to the Millowners, is about Rs. 34-8-0 per month while the pre-war living wage has been fixed at Rs. 50 to Rs. 55 per month. The dearness allowance granted to the workers neutralises, not to the full, but 76 per cent. of the increased cost of living. There is no doubt, therefore, that the first condition is satisfied. As regards the other condition also, we are of the opinion that even though the profits of 1946 are not so big as those of the previous four years, they are sufficiently large to bear a bonus of more than two months as stated above. It is to be noted that during the war years when the profits were much higher than in 1946, the workers did not get a bonus of more than two months' wages except in 1945 when they got an additional one month's wage as victory bonus. We were told that these did not bear any mathematical relation to profits. Thus from 1942 to 1945 when the gross profits were about 20, 38, 30 and 21 crores of rupees respectively, they were arrived at after deducting two months' wages as bonus. Thus although the shareholders got a handsome total dividend of nearly rupees 11 crores and the mill agents got as their commission nearly rupees 13 crores during the war period, it is contended that the only persons who were not adequately compensated by the rise in profits were the workers who, on the other hand suffered in their real wages. It is to be remembered that "adequate wages and dearness allowance," if any, for increased cost of living are a first charge on the industry, but the workers may reasonably ask for a bonus when there are enhanced profits, when dividends are paid out after providing for taxation and depreciation—especially when their wages are below the living wage standard.

11. Although the demand is for adequate bonus for every year we cannot fix the quantum of bonus for each year to come as it would be premature to do so without assessing the profit-earning capacity of the industry. We have not been asked to renew past bonuses. Therefore the only year for which the question of payment of bonus is in dispute is the year 1946 when the profits are about two-thirds of the previous year, but the mills have gained in reserves what they would have had to pay if the demand for additional bonus for the war years had been pressed by the workers. At the same time we are of the opinion that the profits of 1946 do not justify the demand for a bonus of three months' earnings including dearness allowance. Bonus is, as a rule, granted on earnings excluding dearness allowance. After taking into consideration all the facts and arguments urged before us, we have come to the conclusion that the employees should get as bonus for 1946 one-fifth of their earnings (excluding dearness allowance) and we order accordingly.

12. Coming to the conditions imposed by the Millowners' Association for eligibility for the receipt of bonus, the main conditions are that all workers are entitled to bonus (1) who are on the musters of permanent and *badli* workers in member-mills in Bombay City and Island on 31st December 1946 and (2) who continue, without a break, to be on such musters till the dates of payment (namely 18th January 1947 and 22nd March 1947), with the exception of those *badlis* who have worked for less than an aggregate period of 75 days in the period from 1st January 1946 to 31st December 1946. These two conditions are subject to a proviso that those permanent workers whose services were retrenched as a result of an agreement following a notice of change or properly discharged by the management shall be considered eligible for bonus if they had put in not less than 75 days' work in the mill during the said period.

13. In our opinion these conditions are inappropriate for the grant of a profit or prosperity bonus to which no condition about good attendance should be attached, as observed at page 313 in the Bombay Textile Labour Inquiry Committee's Report, Volume II. Moreover, these conditions involve some curious anomalies. A worker who is on the muster for the last few days ending on 31st December would get the bonus but a worker who might

have worked in a mill for 10 or 11 months but is not on the muster on that date would not be entitled to receive it. Then again, the worker must also be on the muster without a break on the dates of payment in two instalments which are 18th January 1947 and 22nd March 1947. If, therefore, he has worked throughout the whole period of 1946 in a mill, he would lose either one or both instalments if he leaves it before these dates. The bonus is granted from the profits of 1946 and if he has contributed to those profits, he should not be deprived of his share if he leaves service thereafter. The object should not be to tie him down in the service in the same mill for about three months after he has really earned the bonus. Another anomaly is that a *badli* worker who has worked for at least 75 days before 31st December gets proportionate bonus but a permanent worker who may have served the mill for more than 75 days in the year does not get anything by way of bonus unless he comes within the proviso. The reason given by the Millowners' Association that the bonus is a reward for continuity of service does not hold good when a person who has served for 75 days gets it but a person who has served for more days does not get it simply because an artificial sanctity is attached to a particular date, viz., 31st December. We are told that in the last year about 10,000 workers left the city after the riots started in September 1946 and they would not be entitled to any bonus although they worked continuously for about nine months. For these reasons we are of opinion that these two conditions should be deleted. Some conditions are necessary. But these must not be unduly harsh. We are of opinion that these conditions should be substituted by Condition No. 2 in the award for bonus to textile workers in Ahmedabad on Reference No. 1 of 1945 in the dispute between the Textile Labour Association and Ahmedabad Millowners' Association (*vide Bombay Government Gazette*, Part I, dated 18th October 1945, p. 2576), viz. :

“ Employees who have worked for less than 75 working days and more than 32 working days shall be granted a bonus to the extent of 50 per cent. and employees who have worked for less than 33 working days shall not be paid any bonus.”

14. We would add a proviso to this that a person who has been dismissed for misconduct even if he has put in more than 32 days' service is not entitled to any bonus. In the result we direct as follows :—

15. Subject to the following provisions all employees whether permanent or *badli* who have worked in the mills concerned in these references shall be given a bonus equal to 1/5th of their earnings in 1946 :—

- (1) Employees who have worked for less than 75 working days and more than 32 working days shall be granted a bonus to the extent of 50 per cent. and employees who have worked for 32 days or less shall not be paid any bonus.
- (2) Any employee who has been dismissed for misconduct in 1946 shall not be entitled to any bonus even if he has worked for more than 32 days.
- (3) Bonus shall be calculated on earnings (exclusive of dearness allowance and bonuses paid during the period) from 1st January to 31st December 1946.
- (4) In the case of women who have been on maternity leave during the period referred to, the actual maternity allowance drawn by them shall be included in their earnings for the purpose of calculating the bonus payable.
- (5) Bonus as above stated shall be paid to the employees in one lump sum on 12th April 1947.
- (6) Persons who are eligible for bonus but who are not in service of the mill on the date of the payment shall be paid in one lump sum on 20th May 1947 provided claims in writing are submitted to the manager of the mill concerned before 10th May 1947, after which no application for bonus shall be entertained.
- (7) Persons who have already received bonus in 1947 pursuant to the offer of the Millowners' Association, shall be paid only the balance due to them under this award.

*Increase in Wages and Standardization Scheme.*

16. The next important and urgent demands in these three references which we took up after the demand for bonus, are the demands for increase in basic wages and standardization of wages. Both these demands are made by the employe-members of the Girni Kamgar Union as well as of the Rashtriya Mill Mazdoor Sangh of Bombay. As the two are intimately connected, we decided to hear both of them together.

17. The case for the employees is in substance as follows :—

From 1928 the position of the textile industry in Bombay City began to deteriorate. In 1933 the millowners made a large scale cut in the workers' wages. The cut was partially restored to the extent of 8.9 per cent. when the Textile Labour Inquiry Committee in its interim report in 1938 gave an increase of about 11.9 per cent. which brought the wages to about 83 per cent. of the average 1926 wage level. Since then there has been no increase in basic wages with the result that about 17 per cent. of the pre-1927 wages still remained to be restored, even though during the war years (1939-45) the mills made enormous profits. According to them the average wage of a worker in Bombay at present is Rs. 32-8-0 and therefore much below the living wage standard of Rs. 50 to Rs. 55 fixed by the Textile Labour Inquiry Committee for an average family of four persons consisting of two adults and two children. The dearness allowance granted during the war years was also inadequate as it neutralised only 76 per cent of the increased cost of living of the average wage earner with the result that the real wages of the workers have deteriorated from 97 points in 1941 to 86 points in August 1946. In this manner the real wages, they argue, were reduced partly by a cut in the basic wages and partly on account of inadequate dearness allowance. An increase of 12½ per cent. is, therefore, demanded in the basic wages. As regards standardization, it is urged that there are no uniform wages and rates for the same kind of work in the different units in the Bombay mill industry and the manner in which they were fixed was entirely arbitrary with the consequence that there is considerable dissatisfaction among the workers. A uniform system of wages for time and piece work is, therefore, urgently needed. They, therefore, demand that the rates of wages payable to all classes of workers and all classes of work should be revised, and standardized to secure a living wage standard and ensure a proper remuneration, in suitable recognition of the strain and skill required in different processes in the industry.

18. The Millowners' Association state in their reply that the basic wages are not inadequate looking to the condition of the textile industry in Bombay. The alleged cut, they say, was really not a cut in wages but in the dearness allowance most of which was subsequently consolidated within the wages. Their main point is that the industry was in a very weak position from 1923 to 1942 and during that period of losses, the managing agents had to give up their commission and other allowances to the tune of Rs. 2,15,00,000 and incurred a loss of about Rs. 75 lakhs through granting loans to mills under their management. Shareholders had also lost about 12 crores of rupees in dividends. As regards profits made during the war period, they say, that after the peak period of 1943-44, the profits were going down as a result of heavy taxation, control in prices, loss of production on account of shorter working hours and strikes, absenteeism, etc. This was intensified by increase in prices of raw materials, stores, etc., and various other items of expenditure such as holidays with pay, and other amenities to workers. As regards reserves, they say, that they will have to spend about seventy-two crores of rupees in replacing or reconditioning the old and worn-out machinery for which they have not been able to provide adequate depreciation. For the future they are afraid of competition from other countries like England and Japan and loss of export markets. For these reasons, they contend that no case has been made out for increase in wages. As regards the demand for standardization of wages, the Association have not definitely objected to the demand itself but have contended that the scheme of standardization should not be based on a living wage standard, but should be constructed with only slight variation of the existing wage rates and differentials, especially in the case of the piece work rates. They point out that they have already granted an increase of 12½ per cent. in piece work rates following the reduction in working hours whereas the time workers got the same wages for 8-hour day as for the previous 9-hour day.

19. A scheme of standardization of wages, with or without an increase in basic wages involves highly technical and complex questions about the strain caused and skill expected in the numerous processes and working on the machines in the spinning and weaving departments of the industry, and it was, therefore, impossible for us to frame any scheme without the aid of experts on the subject. Accordingly, as stated in paragraph 3 above, we appointed Mr. Khandubhai K. Desai, M.L.A., and Mr. P. V. Gillespie, M.L.A., as Assessors, under rule 61 of the Bombay Industrial Disputes Rules, for framing a scheme for standardization of wages, inclusive of increase in basic wages, if any, for the employees of the cotton textile mills in Bombay, after collecting such documentary evidence as they required for that purpose. Mr. Khandubhai K. Desai has considerable experience of the technical working of the textile industry in Ahmedabad during the last 25 years as an official of the Textile Labour Association of Ahmedabad and he was also a joint author of the scheme of standardization of the wages in the weaving section in that city. Mr. Gillespie also has, as a spinning master, considerable experience of the technical side of the industry in Bombay and other places. Besides the Ahmedabad scheme, they had before them two previous schemes for Bombay, one submitted by the Millowners' Association of Bombay to the Textile Labour Inquiry Committee in 1938 and the other framed by that Committee itself under instructions from the Government in December 1939. No steps were, however, taken to implement the latter scheme by the then Government which considered its introduction as inopportune during the prosecution of the second world war. The Millowners submitted a new scheme before the Assessors, the structure of which was practically the same as their previous scheme but provided for increased amounts for various occupational wages. The Assessors thereafter submitted their report with a scheme of standardization on the basis of an increase in the basic wage. They have come to the conclusion that as a step in the direction of taking the textile worker gradually towards a living wage standard, no employee working in the textile industry, in the city of Bombay should get less than Rs. 30 for a month of 26 working days and taking that amount as the minimum basic wage for any employee, the differential should be worked out in the light of the skill, strain and other conditions of work involved in different processes. They have prepared their scheme according to that principle, and reduced what according to them, were various confusing differentials and adjusted them on the basis of work and skill. In Schedule I they have fixed the standard wages for time workers in mixing room, blow room, card room, combing department, speed frame department, ring spinning and doubling departments, yarn bundling department, carding, spinning (Misc.) and line levelling departments, sizing department, drawers-in or beaming department, winding and warping departments, weaving (Misc.) and line levelling departments, warehouse, calendering, finishing and folding departments, and cloth and yarn baling department. In Schedule II they have fixed wage rates for speed frame tenters, reeling department, winders, warpers, drawers-in, and weavers. In Schedule III they have included all the remaining workers, who, if they get less wages than Rs. 30 are to be paid Rs. 30, and those who get more than Rs. 30, 50 and 80 are to get increments in their present wages amounting to 20, 15 and 10 per cent. respectively. The assessors have accepted the millowners' view that standardization of certain kinds of work in speed frame, winding, warping and drawing-in departments will create unnecessary discontent and they have not accordingly extended their scheme to them but have only recommended that steps should be taken to standardize working conditions. In justification of their scheme recommending the increases in wages, the Assessors say that the position of the industry has now sufficiently improved to enable it to pay the increased wage bill. Their study of the consolidated balance sheets of the mills has led them to the conclusion "that while the industry had a considerable capital debt on the eve of the war entailing a cash deficit of about Rs. 3 crores in the industry excluding the fixed assets, it improved its position to such an extent as to convert this deficit of 3 crores into a cash liquid surplus of about Rs. 23 crores including excess profit tax deposits by the end of 1945. This figure does not take into account the depreciated fixed asset of the industry which is about Rs. 12 crores." They anticipate that about Rs. 4 crores must have been added to the cash surplus in 1946 with the result that the industry has got at its disposal to-day about Rs. 27 crores in cash for gradual replacement of the plant and machinery during the next ten years, with the further prospect of additional cash resources during that period. The Assessors accept the Millowners' own estimate that the profits of industry in 1946 would be about Rs. 15 crores including the managing agents' commission and in their opinion, the industry is

therefore capable of bearing the burden of additional wages involved in the Standardization Scheme which according to their estimate comes to between 1.75 and 2 crores of rupees.

20. The two Labour Unions (through their respective counsel) and the Millowners' Association have filed their objections to the Assessors' report. The Girni Kamgar Union object to the minimum wage being fixed at Rs. 30. According to them the minimum wage ought to be Rs. 35 and the average wage, Rs. 55. They also object to the mills' capacity to pay being considered as an element in fixing wages which, in their view, should be based solely on the workers' needs and requirements having due regard to the nature of their work and the degree of skill involved therein. As regards standardization, they say that the Assessors ought to have framed a scheme also for standardization of musters. Some of the differentials fixed by the Assessors have been objected to as being prejudicial to the workers and they say that the wages of workers in the dyeing and bleaching departments and of jobbers, mechanics and watch and ward men should have been standardized. The Rashtriya Mill Mazdoor Sangh have accepted with satisfaction the minimum wage of Rs. 30 fixed by the Assessors and although they do not agree with certain differentials, they have generally accepted the scheme as an attempt to put the differentials on a rational basis. They have objected to certain work in speed frame and other departments having been left out of the scheme and have stressed the necessity for bringing them into the scheme as soon as possible. They have urged the appointment of a Joint Committee to standardize piece-work rates in these departments. They have also suggested changes in the third schedule by giving an increase of Rs. 9, 10, 12 and 15 to all those who earn per month less than Rs. 30, between Rs. 30 and Rs. 50, Rs. 80 or below and more Rs. 80 respectively, provided that no employee gets less than Rs. 30 per month. Lastly they say that the new scale of wages should be brought into force from April 1946 and not from 1st January 1947 as recommended by the Assessors.

21. The Millowners' Association have raised several objections to the report, the principal of which is that the Assessors' recommendations have thrown on the industry a burden of about Rs. 2.57 crores per year which it cannot bear. The Factories (Amendment) Act relating to holidays with pay is going to cost Rs. 0.45 crore every year and there is another measure before the Legislature about sickness insurance for workers which will cost about Rs. 90 lakhs every year. They object to the fixing of a minimum wage of Rs. 30 for which they say no cogent reasons have been given by the Assessors to their (Assessors') opinion that the condition of the industry has considerably improved. According to them the profits of the industry in 1947-48 would be about one-third below the 1946-47 figure, i.e., about Rs. 8.70 crores and if the Assessors' scheme comes into force, the deductions from this amount will be Rs. 2.57 crores for increased wages, Rs. 0.45 crore for holidays with pay, Rs. 0.90 crore for sickness insurance, Rs. 1.30 crores for depreciation and Rs. 1.90 crores for the new taxation at the rate of 8½ annas in a rupee approximately, leaving a balance of only Rs. 1.58 crores for dividends and reserves. They point out that the cost of replacing and modernising the machinery will come to about Rs. 72 crores and the cash surplus with the industry being only Rs. 27 crores it would be very difficult to build up a reserve of Rs. 45 crores, if the Assessors' proposals were accepted. As regards the details of the scheme, they say that no case has been made out by the Assessors for any radical departure from either the structure or the rates in the scheme submitted by the Association to the Assessors. They especially object to the raising of wages and the consequent raising of the allowances to weavers and head jobbers who are remunerated on the basis of a percentage of the earnings of the weavers.

22. These contentions in the respective statements of the parties were developed by them in course of their arguments before us. At this stage we appointed Prof. C. N. Vakil, Director of the School of Economics and Sociology of the Bombay University as Assessor to help us in the consideration of economic and financial side of the issues involved in the questions before us. The arguments urged can be divided into three broad heads:—

- (1) Whether a case has been made out for an increase in the basic wages and if so, by how much ;
- (2) Whether the differentials and the wages fixed in pursuance of them are unduly discrepant ; and
- (3) Whether the industry can bear the proposed burden.

23. In dealing with the demand for an increase in wages, it is, we think, necessary first to deal with its short history in order to appreciate the demand. The boom which followed the First World War began its downward trend from 1923 and in 1925 the Millowners in Bombay announced a cut of  $12\frac{1}{2}$  per cent. in wages but it was withdrawn soon afterwards when the Government announced the suspension of the excise duty of  $3\frac{1}{2}$  per cent. which had been levied on cotton manufactures for many years past. In 1928, however, the attempt to introduce rationalised methods resulted in a general strike of all textile operatives in Bombay. The Millowners had also announced a cut of  $3\frac{1}{2}$  per cent. in weavers' wages. As a result the Government appointed a committee presided over by the Honourable Mr. Justice Fawcett to examine the workers' grievances. This Committee considered the question of wages in detail and made several recommendations for standardizing them which were more favourable to the workers than to the employers. Although the Committee found that the proposed cut of  $7\frac{1}{2}$  per cent. was justifiable, it did not recommend it on account of what it called "an overriding consideration" against pressing it, viz., to secure the full co-operation of the labour leaders in working the standardization scheme prepared by the Committee. This was in March 1929. Unfortunately nothing came out of the Committee's recommendations as the labour leaders were soon after arrested in what is called the Meerut conspiracy case and no attempt was made by any party to implement its recommendations. The subsequent years witnessed a world-wide depression and in 1933 the mills in Bombay effected wage cuts which became a source of increased industrial unrest thereafter. The position is summarised in paragraph 41 (page 22) of the Interim Report of the Bombay Textile Labour Inquiry Committee as follows :—

"At the beginning of the year 1933, the wage position in Bombay was more or less the same as in the year 1926 when the workers were in receipt of wages which were made up of basic rates of pay plus a dearness of food allowance of 80 per cent. in the case of piece-workers other than women and of 70 per cent. in the case of time-workers and women workers. In the middle of the year 1933, individual mills in Bombay began either to reduce the basic rates of pay or the dearness of food allowance, the mills lowering the basic rates being, however, much smaller in number than those which lowered the dearness of food allowance. Because of these cuts and those effected in other parts of the Province, the Government of Bombay instructed the Labour Office to make a special investigation, the report on which was published in June 1934. According to this report, the earnings of cotton mill operatives in 10 selected occupations in Bombay were lower by 16.94 per cent. in December 1933 and by 21.0 per cent. in April 1934 as compared with July 1926. Subsequent to the publication of the report, the Bombay Millowners' Association introduced in July 1934 a schedule of wages for certain numerically important unrationalised categories of time-workers. Because of the reduction of hours of work from ten to nine with effect from January 1935 the Association recommended to the mills that the percentage of dearness of food allowance should, in the case of piece-workers, be raised from 35 to 40."

24. The cuts in the earnings in certain important occupations were however continued till 1937 in which year the position as summarised in Table VIII of the Interim Report was as follows :—As compared with the average daily earnings in certain selected occupations in July 1936 with those of December 1933, there was a percentage decrease of 16.94. That percentage became 23.79 in October 1934 and 25.40 in July 1937. According to the Millowners, there had been no cuts in wages but the dear food allowance of 80 per cent. which the piece-workers were getting since 1926 was reduced to 55 per cent. and the dear food allowance of 70 per cent. which the time-workers were getting was reduced to 50 per cent. and that since then 40 per cent. of 80 and 35 per cent. of 70 of the dear food allowances were consolidated with wages after 1934. According to them the total percentage decrease was 18.30 per cent. and not 25.40 per cent. After hearing both parties, the Textile Labour Inquiry Committee recommended an immediate increase of about  $12\frac{1}{2}$  per cent. in the wages of all cotton mill operatives in Bombay whose monthly earnings were below Rs. 75. The percentage increase of the total wage bill in Bombay on account of this recommendation was about 11.9. This was the position just before the beginning of the Second World War in September 1939. From 1940, the workers began to get dearness allowance which neutralised to the extent of 76 per cent. the rise in the cost of living of this average wage earner. The present average wage in the textile industry is Rs. 32-8-0 according to workers and Rs. 34-8-0

according to the employers. In 1934 it was about Rs. 29-0-0 and in 1937, about Rs. 28-5-0 per month of 26 days (see Table No. 29 at page 57 in the Final Report of the Bombay Textile Labour Inquiry Committee, Vol. II). It is to be noted that while the total number of workers were 128,418 in 1934, 107,600 in 1937, they are 220,000 in 1946. The main point urged before us by Mr. Desai on behalf of the Rashtriya Mill Mazdoor Sangh was that on account of the low level of wages and three-fourth neutralisation of the rise in the cost of living by way of dearness allowance, the real wages have fallen from 100 points in August 1939 to 86 points in August 1946, whereas the living wage of about Rs. 52-8-0 fixed by the Bombay Textile Labour Inquiry Committee in 1939 is represented by Rs. 134-0-0 in August 1946 on the basis of full neutralisation of the rise in the cost of living. On these grounds he has pressed for the minimum wage of Rs. 30 on the pre-war price level. Mr. Sule on behalf of the Girni Kamgar Union has urged that the present living wage is slightly above Rs. 70 and in terms of the conditions in 1939 he has pressed for Rs. 35 as a minimum wage and for an average level of Rs. 55 per month by suitable adjustments in the quantum of the dearness allowance. For a family of three consumption units, Mr. Sule has estimated, the bare minimum expenses for food at Rs. 26-8-0, for housing Rs. 15, for clothing Rs. 6, for medical expenses Rs. 2-8-0 and for education Rs. 2 making a total of Rs. 52 per month. In effect his argument is that the amount of Rs. 52-8-0 which was considered as a living wage in 1939 has become a bare minimum at present; but he says that even so he would be satisfied if Rs. 35 is fixed as a minimum wage and the rest is adjusted in the dearness allowance. Mr. Desai and Mr. Shantilal H. Shah for the Rastriya Mill Mazdoor Sangh have made their calculations of a minimum wage in August 1939 on the basis of 2.4 consumption units, i.e., for a family consisting of husband, wife and one child. They estimate that for such a family the bare necessities of life would have cost Rs. 30 per month made up of Rs. 18 for food, Rs. 3 for fuel and lighting, Rs. 3 for clothing and Rs. 6 for housing. Sir Jamshedji Kanga has contended that although the minimum wage given to the lowest paid worker at present is about Rs. 22, the present average wage in Bombay is Rs. 34-8-0 and with Rs. 41 as dearness allowance for December 1946 (at the cost of living index figure equal to 279) an average worker gets nearly Rs. 75 per month which is more than his minimum requirements. Moreover, he argued, the worker's wife and sometimes his child also earns by labour and there the family income is much greater than its expenditure. It is also contended that want of full neutralization of the dearness allowance has been offset by the grant of a bonus of two months' wages. Further it is pointed out that in addition to the expenditure for providing amenities like holidays with pay and the proposed sickness insurance, more than Rs. 19 lakhs have been spent by the mills on other amenities for workers on a voluntary basis. It is further urged that the standardization scheme proposed by them would involve the mills in an expenditure of about Rs. 61 lakhs in addition to the present wage bill of about Rs. 8½ crores. They also object to the principle of introducing a minimum wage for textile workers as such a minimum does not obtain anywhere in India. For all these reasons it is urged that the minimum wage of Rs. 30 fixed by the Assessors should not be accepted.

25. We have anxiously considered all the aspects of this question in the light of the arguments advanced before us by both the parties and we are of the opinion that taking it as a minimum wage or a minimum occupational wage in the standardization scheme, Rs. 30 per month is a fair wage which the lowest paid worker should get in the Bombay textile industry on the basis of the pre-war price level. This question was considered in detail by the Bombay Textile Labour Inquiry Committee in 1940 and some of its conclusions are not only relevant but also pertinent in the present inquiry. In Chapter IV of the Final Report on "The Minimum Wage," it is observed at page 86 :—

"The Millowners' Association, Bombay, expressed its views in the matter of the fixing of a minimum wage in the following manner: 'The Association is not in favour of establishing a single minimum wage based on a theoretical cost of living or a living wage standard. The Association, however, is in favour of extending its existing system of fair occupational wages for time workers and of guaranteeing, wherever possible, adequate earnings for full work for efficient permanent workers in piece-work occupations'."

"The experience of all countries, especially during the last decade, shows how wage regulation has now become a necessary part of the normal economic mechanism. . . . Where no collective bargaining is possible and labour is weakly organized, wage regulation



by an external authority becomes highly desirable. It is vital from the point of view of the worker and important even from the point of view of the employer. The Mill-owners in Bombay do not deny the need for a minimum wage, but claim that it is adequately met by their minimum schedule. It can, however, hardly be argued that a schedule framed and guaranteed by the employers could give satisfaction to the workers." The conclusion is stated at page 91 as follows: "We conclude, therefore, that it is not possible to lay down in any well defined terms, a basis for the fixation of the minimum wage. The standard of living and the condition of the industry will always remain the guiding considerations. But it is not possible to define for this purpose in the precise manner either of these concepts or to indicate the weight that should be attached to each." Then it is observed on the next page: "As we have said above the fixation to-day of a general minimum wage presents many difficulties. It is, of course, obvious that a trade board attempting to fix the various occupational minima has, as a necessary part of the process, to settle also the lowest wage for the unskilled. Any scheme of occupational minima or standardised rates for an industry has to start from such a basic minimum. There is, in the two approaches of the single general minimum and the occupational minimum, a difference only in emphasis on the particular question of the fixation, of the lowest wage. We are keenly alive to the urgency of raising, as far and as soon as practicable, the wages of the lowest paid worker in the textile industry; and we feel sure that the trade boards that may be set up in the future will attach due importance to this consideration."

26. The work which had to be done by the contemplated trade boards has to be done by us in these references and we have approached the question practically on the principles enunciated by the Committee. What has been fixed as a minimum is not a general minimum wage for all industries in a centre but a minimum occupational wage in the various departments of a mill which an unskilled worker should get. As observed by Prof. D. R. Gadgil in his "Regulation of Wages and other problems of Industrial Labour in India" at page 53: "The essential difference between minimum wages and standardized wages is that while under minimum wage regulation it is open to an employer to vary the wage in an upward direction, the standard wage rate cannot be varied in either direction. The advantages of standardization are that it does away with even that measure of diversity which is permissible under minimum wage regulation, and by bringing about a measure of fixity and determinateness in all wage payments, reduces still further the possibility of minor wage disputes."

27. It would thus appear that in every scheme of standardization, a minimum occupational wage has got to be fixed and the fact that in doing so the lowest wage for the unskilled worker is also to be fixed does not mean that the minimum is fixed in an arbitrary manner. Along with the nature of the work and skill involved therein, cost of living is one of the accepted factors in the fixation of standard wages and if it appears that any wage below a certain amount would push a worker and his family below the minimum standard of even animal existence, it would not be improper to fix that amount as the minimum which even an unskilled worker should get as his basic wage. When the cost of living rises, the earnings may be regulated by giving the relief of dearness allowance in addition to the fixed basic wage. But if it appears that there is little chance of the increased cost of living going down below a certain amount, it may be desirable to fix a minimum wage which is necessary for bare animal existence. We have considered the matter carefully and we are of the opinion that Rs. 30 per month should be the basic wage of a textile worker in Bombay. Even in 1941 the Railway Court of Inquiry presided over by Sir B. N. Rau came to the conclusion embodied in paragraphs 95 and 96 of its report, viz., "that the considerations which we have set out above would appear to justify the conclusion that in the City of Bombay families of average size whose pre-war monthly income was less than Rs. 35 would have had no margin for retrenchment." This conclusion was based on their finding that "a Bombay family whose average income during the 12 months preceding the outbreak of the war was less than Rs. 33 or Rs. 34 must have been living below the level necessary to secure the minimum balanced diet." This shows that the level of wages of the lowest paid workers was too low even before the war and stood in need of being brought up to Rs. 35. The same figure was adopted by one of our members, Mr. Justice Rajadhyaksha, as an Adjudicator in the Postal and Telegraph dispute. On that principle the minimum wage of Rs. 30 per month for an unskilled worker

should be regarded as quite reasonable. This does not include comforts of any kind ; it provides for only the barest needs for existence. The Millowners have not disputed this calculation. They have contended that there is more than one wage earner in the family and that this factor should be taken into consideration. It is obviously undesirable that a child should be made to work to supplement the family income at an age when the child should be in a school rather than in a factory. As regards wife, it is pertinent to quote here the considered view of the Bombay Textile Labour Inquiry Committee on this point at page 78 of its Final Report.

“ An allowance for the earnings of a wife can only be made if it is always or at least ordinarily possible for the wife to obtain suitable gainful employment. On this point the evidence of the family budget studies is overwhelmingly clear. They show that in the vast majority of cases the wife was not, in actual fact, in any employment. Of the natural families contained in the family budget studies, 71.65 per cent. in Bombay and 74.40 per cent. in Ahmedabad had to depend on the earnings of only the head of the family. In view of this fact, we cannot, for our typical family, make any allowance for the earnings of the wife. This is entirely apart from the propriety of making such an allowance.”

There is nothing to show that the position has now changed since the Committee made it<sup>s</sup> report. We must, therefore, proceed on the basis that the textile worker has himself to earn for a family consisting of himself, wife and one or two children. As the Report in the Postal Adjudication shows (paragraph 129) the normal family in India consists of more than 3 consumption units. Although most of the calculations have been made on the basis of 3 consumption units, the Rastriya Mill Mazdoor Sangh have asked for a basic wage of Rs. 30 assuming the family to consist of 2.4 consumption units only. The employers have objected to fixing any minimum at all, whether as a generally fixed minimum or as an occupational minimum. In our opinion, the present condition of lowest paid workers who get less than the bare minimum of the amount required for mere existence should be improved by fixing the minimum wage of Rs. 30 for all occupations. It is true that these workers get dearness allowance but at present the lowest paid worker gets about Rs. 22 as wages and Rs. 41 as dearness allowance, i.e., Rs. 63 per month as his total earnings. Looking to the rise of 160 points over the pre-war figure of the cost of living the total earning should be somewhere between Rs. 70 and Rs. 75 at least and it is very desirable that the basic wage should be increased. For these reasons we agree with the Assessors that a minimum of Rs. 30 as basic wage should be fixed for all occupations in textile mills in Bombay. After we reached this decision and while our award was being drafted, the Government of India have published the recommendations of the Central Pay Commission to which they have given their approval. One of the most important recommendations is that all unskilled employees belonging to the lowest class IV, i.e., working class should not get less than Rs. 30 per month as their basic wage. They consider that with the cost of living index number at 260, the minimum wage for Class IV worker in Bombay should be Rs. 55 consisting of Rs. 30 as the basic wage and Rs. 25 as dearness allowance. They have further recommended that in Bombay he should get Rs. 10 as house rent and Rs. 5 as compensatory allowance. His total earnings would thus consist of Rs. 45 as pay, etc., and Rs. 25 as dearness allowance. In making these proposals the Commission have attempted to stabilize the wages—apart from dearness allowance—at a cost of living index of 160—leaving the remainder of the rise to be compensated for by means of the dearness allowance. It is therefore, clear that they consider Rs. 45 as a reasonable wage for a class IV worker in Bombay when the cost of living index is 160. On this basis the reasonable wage for such a worker before the war when the cost of living index was 106 is  $\frac{45 \times 106}{160} = \text{Rs. } 29.13\text{-}0$  or roughly Rs. 30 which is the figure at which we have arrived on other considerations. Our decision is thus fortified by the considered and valuable opinion of the Pay Commission based on a mass of oral and documentary evidence. It is important to note that the Commission have expressed their view that the objection of a vicious spiral created by the chasing of high prices by high wages and *vice versa* need not come in the way of raising the lowest wages to the level of the minimum living standard for human existence.

28. The second question is about the differentials. The only serious objection taken by the Millowners' Association against the differentials is about the increase in weaving

allowances on account of the proposed increase in the basic weaving wage. It is urged that the present allowances are already on the generous side and the raising of the basic rates as well as percentage allowances would result not only in an increased monetary burden but also create discontent among the workers on account of undue disparity between the earnings of weavers on fancy sorts and other workers. Mr. Sule has urged that the differentials between grinders in the card room and hopper feeders is too high, that the allowances for spinning in weft and warp frames should go up to 20' and not up to 18', that for front sizers the amount should have been fixed at Rs. 105 instead of Rs. 91 on time basis, and that for weavers rates should be fixed on picks and not on yardage by installing pick counters. He has also urged other objections to the rates fixed in the third schedule. Mr. Shantilal has urged that in the third schedule all workers earning below Rs. 21 should get Rs. 30 and all others up to Rs. 30 should get Rs. 9 more. We have discussed all these points with the Assessors. The points involved relate essentially to a complex working technique of the textile industry. The basis for the differentials are mainly of a historical nature and we have had no convincing arguments from the Millowners as to how the differentials in their scheme are better than those fixed by the Assessors. We are, therefore, unable to differ from the scheme framed by the Assessors. At the same time we are of the opinion that this subject is pre-eminently one for a Standardization Committee and Wage Board of the nature strongly recommended by the Textile Labour Inquiry Committee in their final Report at pages 130 and 131. We suggest that the Government should take immediate steps for the formation of a Standardization Committee or a Wage Board or both which may examine the working of this scheme some time after it comes into force and suggest appropriate changes to remedy any grievances felt by the employers and workers, in the light of experience.

29. We now come to the last and the third head, viz., whether the industry can bear the proposed burden. We had a long and detailed argument from Sir Jamshedji Kanga on this point. He began by stating that the industry entered into a period of acute depression from 1925 and that though there were 97 mills in Bombay after the first war, 13 were scrapped before and 19 after 1925 with the result that there are only 65 mills at present. According to the Auditors' Report (Exhibit 21) the composite balance-sheet of the industry for 1939 shows a net cash deficit of about Rs. 3 crores without taking into account fixed assets and paid-up capital. From 1933 to 1943, Rs. 1,51,03,516 were written off for reduction in capital (Exhibit 23) and there was a reduction of Rs. 3,19,61,333 in the block capital on account of the writing off of the block values of several mills which went into liquidation between 1927 and 1935 (Exhibit 24). During the period of depression from 1923 to 1942 the mill agents gave up Rs. 2,15,00,000 as their agency commission and lost about Rs. 75 lakhs in advancing loans to the companies. The shareholders lost about Rs. 12 crores in dividends. It is undoubtedly true that the Bombay industry suffered considerable losses during the period of depression. We need not pause to consider whether the losses were not partly due to over-capitalization and want of scientific management, as contended on behalf of employees, because the position has, in our opinion, considerably changed for the better during the last war. The statement furnished by the Millowners' Association (Exhibit 22) shows that in 1945-46, there was a cash surplus of about Rs. 23 crores and their statement (Exhibit 30) shows that from 1939 to 1945, the Managing Agents received Rs. 1,245.75 lakhs as their commission and office allowance. Therefore, as against Rs. 2½ crores which they lost from 1923 to 1942, they got nearly Rs. 12½ crores in six years. The shareholders also got more than Rs. 11 crores as dividends during that period. On the other hand the workers have suffered in their real wages as stated before. It is true that the Millowners have, in partial compensation for that, given two months' wages as bonus, and are spending Rs. 45 lakhs per year for holidays with pay and might have to spend Rs. 90 lakhs per year in future for sickness insurance for workers. But the expenditure on holidays with pay cannot compensate the workers for their inadequate basic wages and sickness insurance can only do so indirectly and occasionally. As regards their financial position after the last war, the Assessors estimate that they (the Millowners) have got Rs. 27 crores at their disposal for the gradual replacement of their plant during the next ten years. It is true that this is not in cash as the Assessors seem to think because this includes cotton stores, etc., and the Millowners say that they can use only one-third of that amount for working capital. But the total available reserves in cash for the purpose of renewal amount to Rs. 11 crores excluding Rs. 12 crores as excess profit tax deposits (*vide* Exhibit 22) and the expenditure is to be incurred over a period of about ten years during which there will be annual additions for depreciation and reserves.

We agree with the Millowners that there has been a fall in the gross receipts after the peak year of 1943-44 on account of various reasons including a reduction in hours of work but we are not convinced that the gross profit in the current year will be only Rs. 8.70 crores. In Exhibit 28, the Millowners have given a statement of estimated gross profits and expenditure in 1947-48. They work it out as follows :—

Estimated gross profits for 1947-48 on the basis of current levels of wages, etc. . . . .		Rs. 8.70 crores.
<i>Less :</i>		
	(a) Increased basic wage exclusive of dearness allowance . . . . .	Rs. 2.57 crores.
At current wage levels.	{ (b) Cost of holidays with pay for one year . . . . .	Rs. 0.45 crore.
		(c) Sickness insurance . . . . .
		<u>Rs. 3.92 crores.</u>
		Balance . . . . .
Less Depreciation (approximate) . . . . .		Rs. 4.78 crores.
		<u>Rs. 1.30 crores.</u>
		Balance . . . . .
		Rs. 3.48 crores.
Less Income-tax at the present rate of 8½ annas in the rupee (approximately) . . . . .		Rs. 1.90 crores.
Balance available for building up reserve fund and for payment of a dividend . . . . .		<u>Rs. 1.58 crores.</u>
		or
		<u>Rs. 158 lakhs.</u>

We are unable to accept this estimate in its entirety. We think that the estimated gross profits for 1947-48 will be in the neighbourhood of ten crores as against Rs. 8.70 crores estimated by the Millowners and Rs. 13 crores estimated by Mr. Shantilal Shah. Although the gross profits for 1946-47 have been reduced by one-third compared with those of the preceding year 1945-46, we do not think there is room for the same amount of reduction in the following year. With the prevailing high and unsatisfied demand for cloth prices of cotton piecegoods are not likely to fall materially, though the price of raw cotton has gone down considerably in recent weeks. If the control over cotton goods is lifted, it is not unlikely that there will be an upward trend in prices. In any case, normal trading in cotton goods will in itself help the industry financially. In spite of this, after making an allowance for a reduction by 25 per cent. in the profits of 1946-47, we arrive at the figure of Rs. 10 crores as the approximate gross profits for 1947-48. Though some of the other figures in Exhibit 28 given by the Millowners have been disputed on behalf of labour, we are prepared to accept them for this calculation. For example the amount of Rs. 90 lakhs for sickness insurance may not be required for 1947-48. But as this charge is likely to arise probably from 1948-49 onwards, we have taken it into account. The additional cost in basic wages if the Assessors' scheme is adopted would, in our opinion, amount to about Rs. 2 crores. The revised figures would be as under :—

		Crores of rupees.
Estimated gross profits . . . . .		10.00
<i>Less :</i>		
(a) Increased basic wage . . . . .		2.00
(b) Cost of holidays with pay . . . . .		0.45
(c) Sickness Insurance . . . . .		0.90
		<u>3.35</u>
	Balance . . . . .	6.65
Less depreciation . . . . .		<u>1.30</u>
	Balance . . . . .	5.35
Less taxes at 8½ annas in the rupee . . . . .		<u>2.95</u>
	Balance . . . . .	2.40
Less dividend at 6 per cent. . . . .		<u>.90</u>
	Balance for reserves . . . . .	1.50

In our opinion this is a fair estimate of the possible financial position at the end of 1947-48. Of course, we cannot say anything at present about the future taxation. But on the present position we are not inclined to take the pessimistic view which has been pressed upon us by the Millowners. The incidence of the new Business Profit Tax is lower than that of the excess profits tax. There is an unlimited market in the country for cloth as an article of necessity. The increase in the purchasing power of the common man will have a favourable effect on industry and the general trend for an increase in the remuneration of those at the lower level in society is bound to help the textile industry by creating a larger effective demand for cloth. The competitive capacity of the industry is thus not unsatisfactory and the Tariff Board has only recently recorded their view, which has been accepted by the Government, that the textile industry does not stand in need of protection. If in spite of all these factors, the gross income is going down, it must, in our opinion, be due partly to lower production and partly to unsatisfactory management and distribution. The Millowners say that the production of cloth has gone down mainly on account of reduction in working hours, strikes and absenteeism. We think there is some force in this contention but in our opinion, one of the effective ways of removing these causes which have led to reduced production is to make labour contented and efficient by improving their standard of living. If in spite of that strikes and absenteeism continue, there may be other ways of dealing with them but that cannot be made a ground for denying to the worker a proper basic wage which is essential for the bare necessities of life. The average wage of workers, if the Assessors' scheme is brought into force, is expected to be about Rs. 41 per mensem and that, in our opinion, cannot be said to be excessive for the necessary expenditure of an average worker's family. Nor do we think, as stated above, that the Millowners would be unable to shoulder the burden. To meet the increased wage-bill and to build up the adequate reserves it may be necessary to effect economies in various directions. Several recommendations in that direction have been made by the Textile Labour Inquiry Committee in its Final Report in the Chapter on Financial and Industrial Reorganisation. We are not aware of any steps taken by the proper authorities as yet to implement those recommendations and we think that if a serious attempt is made in that direction, the claims of capital to have a reasonable return on investments as well as those of labour to have a wage approximating more and more to better living standards, can be satisfied without detriment to the industry itself. At the same time we desire to express our confident hope that the much needed but long delayed reform of standardization of wages in the Bombay Textile Industry which we now give effect to will be appreciated by labour and lead them to increased efficiency, regularity of attendance and a higher sense of duty.

30. The demand for increase in dearness allowance is still to be considered by this Court and it should be clearly understood that the Court will take into account all relevant factors including the effect of this award while considering the said demand.

31. In conclusion we desire to express our thanks to the three Assessors who have assisted us on matters relating to technical and financial sides of this dispute.

Our award is as follows :—

All the cotton textile mills in Bombay and Greater Bombay should pay their employees according to the standardized uniform list of basic wages and rates as per Annexure "A" attached herewith with effect from 1st January 1947. The additional payment due under the award from 1st January 1947 should be paid in one or two instalments within a period of four months from the date of this award.

By order of the Court,

(Signed) K. R. WAZKAR,

*Registrar, Industrial Court.*

BOMBAY, 31st May 1947.

## ANNEXURE " A "

Standardized uniform list of basic wages and rates for employees of the Textile Industry  
in the City of Bombay.

## SCHEDULE I.

## TIME WORKERS.

		Standard wages 26 working days in a calendar month.		
		Rs.	a.	p.
1. Occupations common to various departments :				
(1)	Departmental oilers and banders .. .. .	37	6	0
(2)	Shafting oilers .. .. .	39	0	0
(3)	Mochees .. .. .	34	2	0
(4)	Tare pickers, waste pickers, bobbin pickers and such other pickers .. .. .	30	0	0
(5)	Sweepers, .. .. .	30	0	0
(6)	Hoistmen .. .. .	35	12	0
(7)	Coolies, other than provided in the list separately .. .. .	30	0	0
2. Mixing Room :				
(1)	Mukadam .. .. .	40	10	0
(2)	Bale stackers .. .. .	35	12	0
(3)	Navganies .. .. .	34	2	0
(4)	Bale breaker attendants .. .. .	34	2	0
(5)	Mixing spreaders and mixing breakers .. .. .	30	0	0
3. Blow Room :				
(1)	Hopper feeders, lattice feeders, hand feeders .. .. .	34	2	0
(2)	Exhaust openers, exhaust and lap machinemen, Crighton openers .. .. .	34	2	0
(3)	Breaker scutchermen, inter scutchermen, finisher scutchermen ..	34	2	0
(4)	2 Breaker scutchermen, 2 inter scutchermen, 2 finisher scutchermen .. .. .	42	4	0
(5)	Thread extractors .. .. .	30	0	0
(6)	Willowmen .. .. .	30	0	0
(7)	Dust carriers, dust coolies, dropping carriers .. .. .	30	0	0
(8)	Hard waste machinemen, cop breakers, roving end breakers ..	30	0	0
4. Card Room :				
(1)	Lap carriers .. .. .	34	2	0
(2)	Fly gatherers .. .. .	30	0	0
(3)	Can boys .. .. .	30	0	0
(4)	Card tenters .. .. .	31	11	0
(5)	Grinders and/or strippers .. .. .	35	12	0
(6)	Strippers and grinders on rationalized process .. .. .	38	3	0
(7)	Flat grinders .. .. .	36	9	0
5. Combing Department :				
(1)	Two machine men .. .. .	38	3	0
(2)	Four machine men .. .. .	52	0	0
(3)	Ribbon lapmen and slivermen .. .. .	34	2	0
6. Speed Frame Department :				
(1)	Creelers or doffer boys .. .. .	30	0	0
(2)	Bobbin carriers and bobbin coolies .. .. .	30	0	0

Standard wages  
26 working days in  
a calendar month.

Rs. a. p.

7. *Ring Spinning and Doubling Departments :*

(1) Doffer gaiters (tarwallas, followers, gaiters or doffers) .. .. .	30 0 0
Total No. of tarwallas and doffers to be engaged should be as under :—	

Average count spun.	No. per 1,000 spindles or a part thereof.
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(i) Up to 12s .. .. .	3.75
(ii) Over 12s up to and including 24s .. .. .	3.25
(iii) Over 24s up to and including 36s .. .. .	3.00
(iv) Over 36s up to and including 50s .. .. .	2.50
(v) Over 50s .. .. .	2.00

(2) Bobbin carriers, bobbin coolies, doff carriers, doff coolies, and other coolies .. .. .	30 0 0
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(3) Ring piecers attending warp frames : Up to and including 200 spindles .. .. .	34 2 0
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(i) Over 200 spindles, the piecers should be paid Rs. 1-2-0 per every 20 spindles or part thereof.

(ii) For weft frames an allowance of Rs. 1-8-0 should be paid over and above the wage rate applicable to warp frames with the same number of spindles.

(iii) The piecer minding weft and warp frames, spinning 18s count and below, should be given an additional allowance of 12½ per cent.

(4) Doffing mukadams .. .. .	52 0 0
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8. *Yarn Bundling Department :*

(1) Weighers .. .. .	35 12 0
(2) Knotters .. .. .	37 6 0
(3) Pressers and bundlers .. .. .	37 6 0
(4) Wrappers .. .. .	32 8 0
(5) Labellers .. .. .	32 8 0
(6) Bundle boys .. .. .	32 8 0

9. *Carding, Spinning (Misc.) and Line Levelling Departments :*

(1) Rope splicers .. .. .	40 10 0
(2) Ticket boys, number markers, wrapping boys .. .. .	32 8 0
(3) Fitter coolies .. .. .	30 0 0
(4) Head roller coverers .. .. .	40 10 0
(5) Assistant roller coverers .. .. .	37 6 0
(6) Tubular and cone banding machineman .. .. .	35 12 0

10. *Winding and Warping Departments :*

(1) Number markers .. .. .	32 8 0
(2) Bobbin carriers .. .. .	30 0 0
(3) Beam carriers .. .. .	36 9 0
(4) Creelers or creel boys .. .. .	30 0 0

11. *Sizing Department :*

(1) Beam carriers .. .. .	38 3 0
(2) Head size mixers .. .. .	42 4 0
(3) Assistant size mixers .. .. .	35 12 0
(4) Front sizers .. .. .	91 0 0
(5) Back sizers .. .. .	52 0 0

Standard wages:  
26 working days in  
a calendar month.

	Rs.	a.	p.
<b>12. Drawers in or Beaming Department :</b>			
(1) Beam carriers .. .. .	38	3	0
(2) Heald cleaners and repairers .. .. .	35	12	0
(3) Reed repairers .. .. .	35	12	0
<b>13. Weaving (Misc.) and Line Levelling Departments :</b>			
(1) Beam carriers .. .. .	38	3	0
(2) Weft mukadams .. .. .	35	12	0
(3) Weft coolies or weft carriers .. .. .	30	0	0
(4) Loom cleaners and oilers .. .. .	37	6	0
(5) Line levelling coolies .. .. .	30	0	0
<b>14. Warehouse, Calendering, Finishing and Folding Department :</b>			
(1) Head cutlookers .. .. .	52	0	0
(2) Cutlookers .. .. .	42	4	0
(3) Stitchers and sewers .. .. .	30	0	0
(4) Damping men .. .. .	32	8	0
(5) Front calendermen .. .. .	40	10	0
(6) Back calendermen .. .. .	35	12	0
(7) Finishers .. .. .	35	12	0
(8) Front machine folder .. .. .	35	12	0
(9) Back machine folders .. .. .	34	2	0
(10) Hand or table folders .. .. .	35	12	0
(11) Head stampers .. .. .	40	10	0
(12) Assistant stampers .. .. .	35	12	0
(13) Ticket appliers and bundlers .. .. .	32	8	0
(14) Bundle carriers or cloth coolies .. .. .	30	0	0
(15) Piece checkers, sorters and measurers .. .. .	34	2	0
(16) Scale boys .. .. .	32	8	0
(17) Number markers .. .. .	32	8	0
(18) Tally board boys .. .. .	32	8	0
<b>15. Cloth and Yarn Baling Department :</b>			
(1) Bale markers .. .. .	32	8	0
(2) Hoopmen or hoop cutters .. .. .	30	0	0
(3) Navganis, bale stackers and bale coolies .. .. .	34	2	0

## SCHEDULE II.

### PIECE WORKERS.

#### (1) Speed Frame Tenters :

Piece rates in the speed frame department should be fixed by individual mills so as to yield to a full-time employee, working on any of the speed frame machine, the following average earnings for a month of 26 working days :—

	Rs.	a.	p.
<b>Drawings :</b>			
(i) 1 man per each head .. .. .	34	2	0
(ii) 2 men per three heads .. .. .	42	4	0
<b>Slubbing : with Back Tenters :</b>			
(i) Up to 80 spindles .. .. .	35	12	0
(ii) Up to 81 to 95 spindles .. .. .	40	10	0
(iii) 96 spindles and over .. .. .	42	4	0



Standard wages:  
26 working days in  
a calendar month

Rs. a. p.

*Intermediate :*

(i) Up to 100 spindles .. .. .	34 2 0
(ii) For every 10 or part of 10 spindles .. .. .	An increase of Rs. 1-4-0 should be given.

*Roving :*

(i) Up to 150 spindles .. .. .	34 2 0
(ii) For every 12 or part of 12 spindles .. .. .	An increase of Rs. 1-4-0 should be given.

(2) *Reeling Department :*

The standard taken is hand reels of 40s. spindles per reel with 7 loas straight reeling and 2 reeler per reel up to 38s count :—

Count reeled.	Per doff of 40 standard hank (rates in pies).
4s .. .. .	25
6/6½s .. .. .	21
8/8½s .. .. .	18
10/10½s .. .. .	15
12/12½s .. .. .	14
14/14½s .. .. .	12.5
16s .. .. .	12
18s .. .. .	11.5
20s to 26s .. .. .	10.5
28s to 38s .. .. .	10
Over 38s .. .. .	7.5

(1 reeler irrespective of  
hand or power reel).

The above list of rates is for 5" and 6" twist bobbins. If the yarn is reeled from weft bobbins, the above rates for different counts should be increased by 20 per cent.

For single cross reeling rates should be decreased by 5 per cent. For double cross reeling rates should be decreased by 10 per cent. For two-fold yarn, rates should be as resultant counts.

(3) *Winders :*

The piece-rates in the winding department should be fixed by individual mills so as to yield to a full-time employee the following average earnings for a month of 26 working days :—

	Rs. a. p.
(i) Grey winding .. .. .	32 8 0
(ii) Grey winding on high speed machines and pirn winding .. .. .	34 2 0
(iii) Colour and artificial silk winding .. .. .	35 12 0

(4) *Warpers :*

The piece-rates in the warping department should be so fixed by individual mills so as to yield to a full-time employee the following average earnings for a month of 26 working days :—

	Rs. a. p.
(i) Warper minding single machine .. .. .	56 14 0
(ii) High speed warper .. .. .	65 12 0
(iii) Warper minding two machines .. .. .	80 7 0

(5) *Drawers-in :*

In the drawing-in department, the piece-rates should be so fixed by individual mills so as to yield to a full-time drawer-in an average earnings of Rs. 56-14-0 per month of 26 working days.

The full-time reacher should get Rs. 34-2-0.

(6) *Weavers :*

This standard is determined on the basis of 36 pies for weaving 10 yards of cloth on 44" loom. The standard specifications, for this purpose, are taken as 18s warp and 18s weft, with 40s reed two in a dent and 40 picks per inch variations over these specifications in the form of allowances to be deducted or added, are provided below :—

Deductions to be made for looms with a lesser reed space :  $1\frac{1}{4}$  per cent. to be deducted per inch below 44" up to 32". For looms from 32" to 25", the deduction will be made in the following manner :  $1\frac{1}{4}$  per cent. to be deducted from 44" up to 32", and below 32", the rate of deduction to be 1 per cent. per inch. For looms below 25", no deduction to be made, and on such a loom, the rate for 25" to be given.

Allowances for looms with a greater reed space : For looms above 44", the allowances to be added as follows :  $1\frac{1}{2}$  per cent. per inch from 44" to 50"—an additional allowance of  $2\frac{1}{4}$  per cent. per inch for 51" and 52", and a further addition of  $2\frac{1}{2}$  per cent. per inch from 53" to 64" and a further addition of 3 per cent. per inch from 65 and upward.

*Basic Rates for Main Loom Widths.*

Looms.	Rates in Pies.	Looms.	Rates in pies.
25"	28.08	54"	42.66
26"	28.44	56"	44.46
28"	29.16	58"	46.26
30"	29.88	60"	48.06
32"	30.60	62"	49.86
34"	31.50	64"	51.66
36"	32.40	66"	53.82
38"	33.30	68"	55.98
40"	34.20	70"	58.14
42"	35.10	72"	60.30
44"	36.00	74"	62.46
45"	36.54	76"	64.62
46"	37.08	78"	66.78
47"	37.62	80"	68.94
48"	38.16	90"	79.74
50"	39.24	100"	90.54
52"	40.86		

*Notes*—(1) The term "plain cloth-grey" for the purposes of this list includes cloth containing no colour except up to 16 ends of colour in the selvages. The term also includes cloths of twill weave woven on a tappet loom on not more than 4 shafts but excludes drills.

Rates for any cloth should be calculated on the actual width of the loom on which the cloth is woven.

(2) The rates to be paid when three, four, or six-loom system is adopted should be :—

(i) Three loom system—Five-sixths of the standard rates.

(ii) Four loom system—Three-fourths of the standard rates.

(iii) Six loom system—Two-thirds of the standard rates.

(3) This standard does not apply to automatic looms.

## Allowances.

## WEFT.

	Upto 54" Lift.			6" Lift.			Over 6" Lift and Universal Pirna.		
	Below 42" loom per cent.	42" and below 52" per cent.	52" and over per cent.	Below 42" loom per cent.	42" and below 52" per cent.	52" and over per cent.	Below 42" loom per cent.	42" and below 52" per cent.	52" and over per cent.
	3s and below	..	..	..	..	..	..	..	..
4s	50	60	80	38	44	60	25	30	34
5s	38	44	50	26	31	36	20	24	29
6s	33	38	43	22	27	32	16	20	24
7s	28	33	38	18	23	28	12	16	20
8s	23	28	33	14	19	24	9	13	17
9s	18	23	28	11	16	21	7	10	14
10s	13	18	23	9	13	18	5	8	12
11s	9	14	19	7	10	15	4	7	10
12s	6	11	16	5	8	13	3	6	9
13s	5	8	12	4	6	8	2	4	6
14s	4	7	9	3	4	7	1	2	4
15s	3	6	7	2	3	6	..	1	2
16s	2	3	5	1	2	3	..	..	..
17s	1	2	3	..	..	..	..	..	..

Notes—*Dosuti weft*, i.e., rewound two ends up, count to be calculated as resultant count, e.g., if 16s dosuti weft on universal pirns is used, allowance to be as for 8s in appropriate universal column.

*Folded weft*.—Count to be treated as resultant count plus 2 counts, e.g., 2/16s would have the allowance applicable to 10s single yarn; 3/30s would have the allowance applicable to 12s single yarn. If two different counts of weft are used in a checkloom the allowance applicable would be the allowance applicable to the weighted average of the two columns used: e.g., if the checking was 8 picks of 20s and 24 picks of 8s, the allowance payable would be the allowance appropriate to 11s single yarn.

8 picks of 20s = 160

24 " " 8s = 192

352 divided by 32.

Average count—11s.

## REED.

Counts of warp.	Standard.	
	Ends per inch in reed permissible without allowance in 2 per dent sorts.	Ends per inch permissible without allowance drills, sateens and ducks woven 3 or more ends per dent.
	(1)	(2)
Upto and including 8s	28	42
Above 8s and upto and including 12s	32	48
" 12s " " 14s	36	54
" 14s " " 18s	40	60
" 18s " " 22s	44	66
" 22s " " 26s	48	72
" 26s " " 30s	52	78
" 30s " " 40s	60	90
" 40s " " 50s	64	96
Above 50s	72	108

In the case of cloths woven two ends per dent, an allowance of 1 per cent. to be given for every two ends in excess of the figures given in column (1).

In the case of drills woven 3 ends in a dent, an allowance of 1 per cent. to be given or every 3 ends in excess of the figures in column (2).

If a drill is woven 4 or 5 ends in a dent, an allowance of 1 per cent. to be given for every 4 or 5 ends in excess of the figures given in column (2).

When plain cloth is woven 4 ends in a dent, the permissible ends per inch in reed would be as in column (1), i.e., if a cloth is woven in a 36" reed; 4 in a dent, the allowance would be calculated as if there were 72 reeds, 2 in a dent.

#### HIGH PICK

For plain and stave work cloths, allowance to be given as under :—

Picks per inch	35s Weft and under.		Above 35s weft.	Allowance.
	61 to 64	65 to 68	73 to 76	Add 1 per cent.
	65 to 68	69 to 72	77 to 80	" 2 per cent.
	69 to 72	73 to 76	81 to 84	" 3 per cent.
	73 to 76	77 to 80	85 to 88	" 4 per cent.
	77 to 80	81 to 84	89 to 92	" 5 per cent.
	81 to 84	85 to 88	93 to 96	" 6 per cent.
	85 to 88	89 to 92	97 to 100	" 7 per cent.
	89 to 92	93 to 96	101 to 104	" 8 per cent.
	93 to 96	97 to 100	105 to 108	" 9 per cent.
	97 to 100	101 to 104	109 to 112	" 10 per cent.
	101 to 104	105 to 108	113 to 116	" 11 per cent.
	105 to 108	109 to 112	117 to 120	" 12 per cent.
	109 to 112	113 to 116	121 to 124	" 13 per cent.
	113 to 116	117 to 120	125 to 128	" 14 per cent.
	117 to 120	121 to 124	129 to 132	" 15 per cent.

Notes—In the case of twills, drills and weft faced sateens, half and above allowance to be given.

#### FINE WARP

30s to 40s	2½ per cent.
41s to 50s	5 per cent.
51s to 60s	7½ per cent.
61s to 80s	10 per cent.
Over 80s	15 per cent.

#### COLOUR AND ARTIFICIAL SILK WARP

	Colour allowance.
Up to and including 25 per cent. of the total number of warp ends	5 per cent.
26 per cent. to 50 per cent.	10 per cent.
51 per cent. to 100 per cent.	15 per cent.
	Art silk allowance (Single):
Up to and including 15 per cent.	5 per cent.
16 per cent. to 25 per cent.	10 per cent.
26 per cent. to 50 per cent.	15 per cent.
51 per cent. to 75 per cent.	25 per cent.
76 per cent. to 100 per cent.	35 per cent.

Where single colour and single artificial silk are both used in warp, the percentage of colour and artificial silk to be taken out separately and the appropriate allowance for each to be given.

For doubled colour yarn, half the single colour allowance to be given.

When two-fold artificial silk is used, or when artificial silk is doubled with cotton yarn, the allowance to be given as per the coloured yarn allowance and not as per the artificial silk allowance.

No allowance to be given for less than 17 ends of colour or artificial silk in the warp or when colour is used only in selvages.

The above allowances are not payable for colour or artificial silk in the borders or patches of dhotees and sarees.

#### ARTIFICIAL SILK WEFT OR COLOURED WEFT

Artificial silk weft .. .. .	5 per cent.
Coloured weft .. .. .	3 per cent.

Note—This allowance only to be given in single shuttle sorts. It is not to be given in drop box sorts.

#### DROP BOX

	Shuttles.		
	2	3	4
Up to 40" .. .. .	40	45	50
41" to 50" .. .. .	35	40	45
51" to 60" .. .. .	30	35	40
61" and over .. .. .	25	30	35

When one-shuttle sorts are woven in drop box looms, the allowances in right hand column less 10 per cent. to be given; e.g., for a plain cloth woven in a 40" drop box loom, the allowance to be given is 30 per cent.

#### DOBBY SHAFT WORK IN THE BODY

1 to 6 staves .. .. .	5 per cent.
For each additional stave, <i>add</i> .. .. .	1 per cent.

The above allowances are not to be given for patcha stripes or skirt border dhotees which are provided for separately.

#### CUMBER BOARD WORK IN DHOTEES AND SAREES OF ALL SORTS INCLUDING PATCHA STRIPES AND SKIRT BORDERS.

From 1 to 8 jacks .. .. .	4 per cent.
From 9 to 16 jacks .. .. .	6 per cent.
From 17 to 24 jacks .. .. .	9 per cent.
From 25 to 32 jacks .. .. .	12 per cent.
From 33 to 40 jacks .. .. .	15 per cent.

#### JACQUARD ALLOWANCES.

Up to 100 hook jacquards .. .. .	20 per cent.
101 to 200 hook jacquards .. .. .	25 per cent.
201 to 300 hook jacquards .. .. .	30 per cent.
301 to 400 hook jacquards .. .. .	35 per cent.

In dhotee and saree sorts, which have shaft work in the body and dobbie cumber board work in the border the total shaft allowance to be the sum of the appropriate shaft and cumber board allowances; e.g., a saree with a dobbie pattern on 10 shafts in the body and a fancy border requiring 10 jacks, the total allowance would be as under:—

10 shafts in the body .. .. .	8 per cent.
10 jacks in border .. .. .	6 per cent.
	—
Total .. .. .	14 per cent.
	—

In saree cloths in which there is a jacquard design in the body and a jacquard border the allowance to be paid according to allowances for jacquard all-over styles. No separate allowance to be payable for jacquard borders in such cloths.

BORDERS OF DHOTEES AND SAREES

For a border on each side	Dhotees without patcha. (1)	Dhotees and sarees with patcha (2)
Up to 5/8"	2 per cent.	3 per cent.
Over 5/8" to 1 1/4"	4 per cent.	5 per cent.
Over 1 1/4" to 1 3/4"	6 per cent.	7 1/2 per cent.
Over 1 3/4" to 2 1/4"	8 per cent.	10 per cent.
Over 2 1/4" to 3 1/4"	12 per cent.	15 per cent.
Over 3 1/4"	15 per cent.	17 per cent.

Note—The above allowances are additional to any allowances for cumber board work.

HEADINGS IN SHORT LENGTH SORTS

(The allowance to be calculated for the length per pair except for sarees where it would be per piece) :—

1 per cent. for 10 yards.	7 1/2 per cent. for 5 yards.
2 per cent. for 9 yards.	9 per cent. for 4 yards.
3 per cent. for 8 yards.	11 per cent. for 3 yards.
4 1/2 per cent. for 7 yards.	13 per cent. for 2 yards.
6 per cent. for 6 yards.	15 per cent. for 1 yard.

For Cholas with 4 headings per pair.

- 2 per cent. chola heading in addition to above, (e.g.), chola 8 yards long
- 2 per cent. allowance for chola heading, plus 3 per cent. as per list—Total : 5 per cent.

Additional shuttle changes for headings in Sarees and Dhotees :

Up to 8 shuttle changes per heading average	Nil.
9 to 15 shuttle changes per heading average	2 per cent.
16 to 20 shuttle changes per heading average	4 per cent.

Over 20 shuttle changes, add 1 per cent. for every 5 changes over and above the allowance for 20 shuttle changes.

The allowances to be given by adding together the shuttle changes in each heading in the saree and dividing by 2.

SPLITS

Add 3 per cent. for first cut split.

Add 2 per cent. for each additional cut split.

Pick finding :

Where pick finding is insisted upon, 3 per cent. should be paid in cloth woven in any width with 84 ends per inch and below and 6 per cent. in cloth woven finer than 84 ends per inch and above.

Crammed stripes :

No allowance to be paid for yarn extra dented in the reed unless the average ends per inch in the cloth are high enough to come within the fine reed allowance, which will then apply.

Double drawn warps :

Double drawn warps (Dosuti) to be treated as an increase in reed of 12 1/2 per cent., e.g., 168 warp dosuti in 48 reed would be treated as 54 reed and have 3 per cent. allowance added as per list.

**Mixed denting :**

Average reed to be taken for allowance.

*Example.*—Total number of end, say, 2,200 divided by reed space, say, 28 = 78 reed with 24s warp would have an allowance of 11 per cent. added.

**Two-beam sorts :**

Allowance of 2½ per cent.

Allowance of 5 per cent. when more than 2 looms are worked.

**SCHEDULE III.**

All time and piece-work employees not included in Schedules I and II, should be given an increase on their present basic earnings (excluding only the current dearness allowance) according to the following basis :—

- (1) No employee in the Industry should get less than Rs. 30 per month of 26 working days, that is, such employees should be raised up to Rs. 30.
- (2) Employees whose present earnings are more than Rs. 30 per month, should get an increase of 20 per cent.
- (3) Employees whose present earnings are more than Rs. 50, but less than Rs. 80 per month, should get an increase of 15 per cent.
- (4) Employees getting more than Rs. 80 per month should get an increase of 10 per cent.

**D. G. KALE,**

*Registrar,*

*Bombay Industrial Disputes Act.*

**BOMBAY, 31st May 1947.**

**APPENDIX 9.**

**COMPENSATION FOR INVOLUNTARY UNEMPLOYMENT ARISING FROM  
SHORTAGE OF COAL, ETC.**

**DEFINITION OF THE TERM "ORDINARY RATE OF PAY."**

*Copy of letter No. 315, dated 22nd May 1946, from the Association to the Secretary to the Government of India, Department of Labour, New Delhi.*

I am directed to invite your attention to section 47 of the Factories Act, 1934, which states that, where a worker in any factory works for more than certain number of hours in any week, he shall be entitled to extra pay at the rate of so many times "his ordinary rate of pay." The expression "ordinary rate of pay" has nowhere been defined in the Act itself, and so far as this Association is aware, mills in Bombay and elsewhere have so far been allowing overtime on basic rates, i.e., exclusive of dearness and other allowances.

The attention of the Committee of the Association has, however, been drawn to the following statement made in the February 1946 issue of the *Indian Labour Gazette* :—

"Recently a doubt arose regarding the correct interpretation of the term 'ordinary rate of pay' for the purpose of calculation of overtime pay under section 47 of the Factories Act, 1934. The question raised was whether 'war' or 'dearness' allowance

is to be included as 'wages' for the purposes of this section. The Factories Act does not contain any definition of wages or ordinary rate of pay. In the opinion of the Government of India, dearness allowance or war allowance should be treated as part of the 'ordinary rate of pay' for the purpose of calculating overtime pay under section 47 of the Factories Act."

My Committee are surprised that an important ruling of the nature referred to should have been given by Government without consulting the interests concerned. For one thing, however, Government, in issuing the statement, have apparently failed to take into consideration current practice in Bombay and other centres where dearness allowance is linked up with the cost of living and the workers' attendance in the factory. The reasonableness of this basis of dearness allowance has been conceded, and applied to other establishments in Bombay and elsewhere by the Industrial Court and adjudicators. The Association has been working on this basis of dearness allowance according to which dearness allowance will become payable only if the operative was at his place of work in the factory. In other words, dearness allowance is worked at so much per working day, the actual daily rate fluctuating according to the Bombay Working-Class Cost of Living Index. Provided a worker was present at the factory, the quantum of dearness allowance for the day is the same irrespective of whether he was on a 7½-hour shift, 8-hour shift, 9-hour shift or 10-hour shift. If, as suggested in the statement issued by Government, dearness allowance is included in calculating overtime, then it follows that overtime work increases workers' cost of living, a theory to which this Association cannot subscribe. If, however, Government desire to insist on their ruling, then this Association would have to review the whole position.

The next point to which my Committee would like to refer, relates to the compensation for involuntary unemployment arising from shortage of coal, etc. As you are aware, an unofficial scheme of compensation was placed before the Tripartite Conference in September 1943. Though employers were not bound under any law to compensate workers for involuntary unemployment arising from shortage of coal, etc., representatives of employers present at the Conference gave their approval to the principle underlying the scheme as a gesture of goodwill to labour. It was, however, never intended that the remuneration for the period laid off would include dearness allowance. In this connection, Government would remember that the unofficial scheme clearly states that the compensation might be given at so much percentage of the "ordinary rate of pay." This expression is free from all ambiguity, and cannot, by any stretch of imagination, be deemed to include dearness and other similar allowances. Yet, the Commissioner of Labour, Bombay, in a communication addressed to the Association on 31st October, 1945, stated that the term "ordinary rate of pay" includes "dearness allowance" for the purpose of the benefits under the scheme of compensation for involuntary unemployment. The Association immediately protested against that, and regretted its inability to accept the interpretation referred to. If the Association were to concede that dearness allowance would become payable even if workers were not at work, then that would cut across the entire basis of the dearness allowance which the Association has introduced, a position which, my Committee regret, they are unable to accept.

The immediate reason for making a reference on this particular issue at this juncture is that, in an Award recently issued by Mr. K. B. Wassodew in an adjudication between the Pratap Spinning and Weaving and Manufacturing Co., Ltd., and their employees, the basis of compensation for involuntary unemployment was calculated "on average earnings" including dearness allowance of the employees concerned. My Committee are aware that adjudicator's decisions have neither the standing nor the authority, which are usually attached to decisions of Indian High Courts of Judicature, but my Committee cannot rule out the possibility of one adjudicator, whatever his own convictions may be in this matter, following the example of his predecessor in such matters. The scheme for compensation for involuntary unemployment still remains on paper, and is being observed by employers in spite of the fact that it has not been given the force of law. In the circumstances, my Committee are unable to understand why Government should have given expression to their own interpretation of the term "ordinary rates of pay" without giving an opportunity to employers to set forth their case. In these circumstances, the Committee suggest that Government might issue a general direction indicating that, for the purpose of compensation, the expression "ordinary rate of pay" does not include dearness and other similar allowances.



## APPENDIX 10.

## EMPLOYMENT EXCHANGE—ATTITUDE DURING STRIKES AND LOCKOUTS.

*Circular dated 24th June 1946, issued by the Employers' Federation of India to all members.*

The Government of India in the Department of Labour are desirous of knowing the viewpoint of employers with regard to the attitude which the Employment Exchanges should adopt during strikes and lockouts. Government are anxious that these exchanges, which have recently been set up, should avoid all activities which are likely to cause mistrust or dissatisfaction among employers and employment seekers. In other words, the exchange administration should adopt a neutral attitude whenever there is an industrial dispute.

2. This question was discussed at some length at the Seventh Labour Conference held at Delhi in November 1945. Consideration was given at the time to the procedure followed in other countries such as the U.K., the U.S.A., Germany, Greece and China. The Employers' representatives at the Conference were inclined to favour the system adopted in Greece, where the Employment Exchanges would *not* give their services in the following cases:—

- (a) For the placing of persons on strike if they have declared a strike after refusal to submit the dispute to a public authority or to a Conciliation Committee appointed or proposed by the Minister of National Economy; or to accept the settlement of the dispute proposed by the public authority or Conciliation Committee thus appointed; and
- (b) for the purpose of finding employees for an employer who has refused to submit a dispute for inquiry as prescribed above, or has refused to accept the decision with respect to the dispute by a public authority or a Conciliation Committee as provided above, or has declared a lockout without previously having recourse to the said authority or board or after refusal to comply with their decision.

After considerable discussion, the Workers' Group also agreed with the Employers' Group to accept the Greek model in this regard.

3. This subject was brought up again by the Government of India at the Eighth Meeting of the Standing Labour Committee held at Delhi in March last. Government found, after examination, that the Greek model was not a suitable one for India, as there were considerable practical difficulties in the way of its adoption in this country, particularly as there was no specific legislation, as there evidently was in Greece, requiring compulsory notification of trade disputes and their compulsory submission to arbitration. The main drawback in the Greek system was that it placed upon the Exchanges the responsibility of determining the cases in which assistance might be given. The Government of India, therefore, requested the Standing Labour Committee to reconsider the recommendation made by the previous Labour Conference. In this connection, the Committee was requested to consider the adoption of any one of the following three courses which were open to Employment Exchanges whenever there was an industrial dispute:—

- (i) To refuse to accept vacancies or to register work-people;
- (ii) to accept vacancies and to inform suitable applicants of the existence of the trade dispute before submission; to register workmen and to submit them for other employment, informing the prospective employers that they are unemployed as the result of an existing trade dispute; and
- (iii) to accept vacancies and to submit workmen for employment without reservation.

4. The Government of India urged the acceptance of suggestion No. (ii) mentioned above, as it would keep exchanges out of disputes. The Workers' representatives were in favour of course No. (i), while Employers' representatives did not desire to resile from their original view without consulting constituent member bodies.

5. The Government of India have now requested the Federation to ascertain the viewpoint of its members and I am accordingly to inquire which of the three courses you would regard as fair and equitable for Employment Exchanges to adopt during periods of industrial disputes.

6. The President feels that the exchanges should adopt a strictly neutral attitude at all times and that, having regard to the fact that the organization of employment exchanges in this country has not developed to the extent it has in industrially advanced countries, we might, for the time being, agree to course No. (ii) recommended by the Government of India.

*Copy of letter No. 167, dated 2nd August 1946, from the Association to the Employers' Federation of India, Bombay.*

#### EMPLOYMENT EXCHANGE AND STRIKES AND LOCKOUTS.

With reference to your circular letter dated the 24th June 1946, on the above subject, I am directed to state that my Committee are in agreement with the view expressed by the President of the Federation.

*Press Note issued by the Regional Public Relations Officer (Office of the Regional Director of Resettlement, Bombay) on 20th June 1947 on "Employment Exchanges and Strikes and Lockouts."*

The Government of India have given further consideration to the question of the attitude to be taken by the Employment Exchanges in cases of strikes and lockouts. The Government of India were prepared on this issue to accept and operate any workable policy agreed upon between the employers and workers and held with this end in view, repeated consultations with the representatives of employers and workers. As, unfortunately, no agreement could be reached between the parties, the Government of India have decided that the future policy should be as follows:—

In the event of a strike or lockout, the Employment Exchange will refuse to accept vacancies or register workpeople, except in the case of a strike or lockout which the appropriate Government, through an officer duly authorised in this behalf, notifies to the Employment Exchange to be an illegal strike, the continuance of which is contrary to the public interest, and directs the Employment Exchange to submit suitable applicants. In all cases where workers are submitted to strike vacancies or where workers who are on strike are submitted to employers for employment, the Employment Exchange before making such submission will inform the worker or employer, as the case may be, that the vacancy is due to an illegal strike or that the person who has been submitted for employment is at present unemployed because of an illegal strike or lockout.

The Government of India hope that the new procedure will allay the apprehensions which the present procedure had given rise to in some quarters.

### APPENDIX 11.

#### TAXATION ON INCOME (INVESTIGATION COMMISSION) BILL, 1947.

*Copy of letter No. 85, dated 1st April 1947, from the Association to the Secretary, Central Board of Revenue, New Delhi.*

The Committee of the Association fully appreciate and agree with the object underlying the Taxation on Income (Investigation Commission) Bill, 1947. They are, however, opposed to the constitution and composition of the proposed Commission, the powers conferred upon it and the procedure which it proposes to follow, being contrary as they are to well-accepted principles of jurisprudence and fundamental notions of natural justice.

1. Under clause 3(2), the Commission may "in respect of any person . . . . investigate the present and past financial affairs of such person" and thereafter proceed to make a report in regard to such person to the Central Government. Sub-clause (3) of clause 3 similarly empowers the Commission to make an investigation "into the financial affairs of any person," who is believed by the Commission to have been connected directly or indirectly with the person mentioned in sub-clause (2) in any capacity whatsoever. It is submitted that the scope of the investigation, viz., the present and past financial affairs of the person concerned is far too wide and unrestricted and requires limitation. It is also necessary that a provision should be made for some responsible authority taking a decision as to the person in respect of whom an investigation is needed. An investigation into "the present and past financial affairs" of a person is a very drastic proceeding, and such an investigation should, it is submitted, not be commenced till a responsible person has formed an opinion that it is necessary, and even then, it should be restricted both in point of time and scope in the manner indicated by such responsible person. In the absence of safeguards of this character, it is quite likely that persons may needlessly be exposed to the harassment of an investigation without there being any adequate grounds for the initiation of the investigation.

2. Having regard to the nature of the powers and duties conferred on the Commission, it is essential that its composition should command the complete confidence of the public, and that the persons constituting it should be above suspicion in regard to their integrity and impartiality. The composition of the Commission mentioned in clause 4(1) does not, it is submitted, fulfil these requirements. In this connection, the Committee of the Association invite the attention of Government to the composition of the various tribunals created for the trial of criminal offences under the emergency legislation. These tribunals, whose composition is not dissimilar to the one proposed for the Commission, have not commanded the confidence of the public. The powers proposed to be conferred on the Commission are larger than those entrusted to these Tribunals, and are to be summarily exercised, and are not subject to appeal or revision. In the circumstances, it is essential that the members of the Commission should have a much higher status and qualifications than those proposed. It is submitted that the Commission should consist exclusively of a Judge or Judges of the High Court of not less than ten years' standing.

3. Clause 6 contains a provision most unusual in character. As worded, it would enable the Commission to delegate all or any of its powers to anyone whom it may choose. It is submitted that such a power of delegation is unheard of, and is not enjoyed even by highest tribunals. It is essential that the investigation of so far-reaching and drastic a character should be conducted by the tribunal entrusted with it, and not by any person to whom the authority of the tribunal may be delegated. It is submitted that, as in the case of other tribunals, the Commission may be authorised to delegate to others the performance of purely ministerial functions only.

4. Clause 7(1) empowers the Commission to regulate its own procedure. Sub-clause (2) makes the Indian Evidence Act and certain provisions of the Stamp and Registration Acts inapplicable to proceedings before the Commission. Sub-clause (3) takes away the right of a person to answer questions which may tend directly or indirectly to incriminate him or expose him to liability for damages or penalty or forfeiture. It is submitted that these provisions in regard to procedure are subversive of well-accepted principles of natural justice. It has been laid down by the highest tribunals that even in administrative inquiries, the principles of natural justice have to be observed. One of the principles of natural justice is that a person should be informed of the allegations and evidence against him, and should be afforded an opportunity of being heard in respect of such allegations and evidence. The proposed provisions in regard to procedure make no provision whatever for the observance of these principles, and under them, it would be competent to the Commission to proceed in the most arbitrary manner and without regard to the requirements of natural justice above mentioned. It is submitted, therefore, that the provisions in regard to the procedure of the Commission require to be wholly recast and that provision should therein be made in any event in regard to matters mentioned above. Further, it would be unfair that a person whose past financial affairs are under investigation should not have the right to be represented at the enquiry by a lawyer of his choice. A provision should, therefore, be made for such representation.

5. Finally, it is essential that the findings of this Commission should be open to revision or appeal before a superior tribunal. Such a provision has been made even in the case of the decisions of the tribunals constituted under emergency legislation. It would be contrary to the elementary principles of justice that a citizen should be deprived in normal times of a right of revision or appeal to a higher tribunal in a matter vitally affecting his property and his reputation. In this connection it need not be pointed out that the effect of an adverse finding by the Commission would have the consequence of enabling the Government to direct the taxing authorities to reopen assessment proceedings of the citizen concerned for an unlimited number of years.

INDIA ACT No. XXX OF 1947.

*An Act to provide for an investigation into matters relating to taxation on income.*

Whereas it is expedient, for the purpose of ascertaining whether the actual incidence of taxation on income is and has been in recent years in accordance with the provisions of law, and the extent to which the existing law and procedure for the assessment and recovery of such taxation is adequate to prevent the evasion thereof, to make provision for an investigation to be made into such matters;

It is hereby enacted as follows:—

1. *Short title, extent and commencement.*—(1) This Act may be called the Taxation on Income (Investigation Commission) Act, 1947.

(2) It extends to the whole of British India.

(3) It shall come into force on such date as the Central Government may, by notification in the official *Gazette*, appoint.

2. *Interpretation.*—In this Act, "taxation on income" means any tax chargeable under the Indian Income-tax Act, 1922 (XI of 1922), or the Excess Profits Tax Act, 1940 (XV of 1940).

3. *Constitution and functions of Commission.*—The Central Government may constitute a Commission to be called the Income-tax Investigation Commission (hereinafter referred to as the Commission) whose duties it shall be—

(a) to investigate and report to the Central Government on all matters relating to taxation on income, with particular reference to the extent to which the existing law relating to, and procedure for, the assessment and collection of such taxation is adequate to prevent the evasion thereof;

(b) to investigate in accordance with the provisions of this Act any case referred to it under section 5 and report thereon to the Central Government.

4. *Composition of Commission.*—(1) The Commission shall consist of a Chairman (being a person who is or has been a Judge of a High Court) and two other Commissioners, appointed by the Central Government.

(2) On the occurrence from any cause of a vacancy among the Commissioners, the Central Government may, if it thinks fit, appoint a person to fill the vacancy.

5. *Power of Central Government to refer cases for investigation.*—(1) The Central Government may, at any time before the 31st day of December 1947, refer to the Commission for investigation and report any case in which the Central Government has *prima facie* reasons for believing that a person has to a substantial extent evaded payment of taxation on income, together with such material as may be available in support of such belief.

(2) If in the course of investigation into a case referred to it under sub-section (1), the Commission has reason to believe that some person other than the person whose case is being investigated has himself evaded payment of taxation on income, it may make a report to the Central Government stating its reasons for such belief, and on receipt of such report the Central Government may at any time refer the case of such other person to the Commission for investigation and report.

6. *Powers of Commission.*—(1) The Commission shall have power to administer oaths, and shall have all the powers of a Civil Court under the Code of Civil Procedure, 1908 (V of 1908), for the purposes of taking evidence on oath, enforcing the attendance of witnesses and of persons whose cases are being investigated, compelling the production of documents and issuing commissions for the examination of witnesses, and shall be deemed to be a Civil Court for all the purposes of section 195 and Chapter XXXV of the Code of Criminal Procedure, 1898 (V of 1898); and any reference in the said chapter to the presiding officer of a court shall be deemed to include a reference to the Chairman of the Commission.

(2) If in the course of any investigation under this Act it appears to the Commission to be necessary to examine any accounts or documents which it cannot itself conveniently examine, the Commission may authorise any person qualified in its opinion to make such examination to examine the accounts or documents and interrogate for that purpose any person having charge or custody thereof and make a report thereon to the Commission; and any person having charge or custody of such accounts or documents shall be bound to produce them to the person so authorised and to give to such person any information in respect thereof which the person so authorised may require.

(3) The Commissioners and all persons authorised by the Commission under this section shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (XLV of 1860).

7. *Procedure of Commission.*—(1) The Commission shall, subject to the provisions of this Act, have power to regulate its own procedure (including the fixing of places and times of its sittings and deciding whether to sit in public or in private) and may act notwithstanding a vacancy in the number of the Commissioners.

(2) In making an investigation under clause (b) of section 3, the Commission shall act in accordance with the principles of natural justice, shall follow as far as practicable the principles of the Indian Evidence Act, 1872 (I of 1872), and shall give the person whose case is being investigated a reasonable opportunity of rebutting any evidence adduced against him.

(3) Any person whose case is being investigated by the Commission may be represented by a pleader duly authorised to act on his behalf.

(4) Except with the previous sanction of the Central Government,—

(a) no suit, prosecution or other legal proceeding shall be instituted against any person in any civil or criminal court for any evidence given by him in any proceedings before the Commission, and

(b) no evidence so given shall be admissible in evidence against such person in any suit, prosecution or other proceeding before such Court.

(5) No document shall be inadmissible in evidence in any proceedings before the Commission on the ground that it is not duly stamped or registered.

(6) Nothing in section 54 of the Indian Income-tax Act, 1922 (XI of 1922) or in that section as applied to excess profits tax by section 21 of the Excess Profits Tax Act, 1940 (XV of 1940), shall apply to the disclosure of any of the particulars referred to therein in any proceeding before the Commission or in any report made by the Commission to the Central Government or in any report made to the Commission by a person authorised under sub-section (2) of section 3.

8. *Power to direct reopening of assessment proceedings.*—(1) After considering any report made to it under clause (b) of section 3, the Central Government may, by order in writing, direct that proceedings to assess in respect of the income of any period commencing after the 31st day of December 1938 the person to whose case the report relates to income-tax, super-tax or excess profits tax shall be taken or reopened; and upon such a direction being made, such assessment proceedings may be taken and completed under the appropriate law, notwithstanding anything contained in section 34 of the Indian Income-tax Act, 1922 (XI of 1922), or section 16 of the Excess Profits Tax Act, 1940 (XV of 1940), or any other law, and notwithstanding any lapse of time.

(2) On a direction being made under sub-section (1), a copy of the report of the Commission, so far as it relates to the case of the person concerned, shall be furnished to him.

(3) Notwithstanding anything to the contrary contained in any other law, in any proceedings directed to be taken under sub-section (1), any evidence in the case adduced before the Commission or a person authorised by it under sub-section (2) of section 6 shall be admissible in evidence.

9. *Bar of jurisdiction.*—No act or proceeding of the Commission or any person authorised by it under sub-section (2) of section 6 shall be called in question in any manner by any court, and no suit, prosecution or other legal proceeding shall lie against the Crown or any Commissioner or any other person for anything in good faith done or intended to be done under this Act.

10. *Power to make rules.*—The Central Government may, by notification in the official *Gazette*, make rules for carrying out the purposes of this Act.

## APPENDIX 12.

### INCOME-TAX ASSESSMENT—DONATION TO TECHNOLOGICAL AND OTHER INSTITUTIONS FOR RESEARCH.

*Copy of letter No. 200, dated 9th March 1946, from the Association to the Principal Secretary to the Government of India, Department of Finance, New Delhi.*

In the years 1943-44 and 1944-45, on the recommendation of this Association, several members contributed to a fund raised by this Association on behalf of the Department of Chemical Technology of the University of Bombay. The total collections came to a little over four lakhs of rupees, and were handed over to the University in June 1944.

In September 1944, the Committee of the Association met Sir John Sheehy, when a request was made to him that donations made by members of the Association to the Technological Department should be allowed as an expense in computing excess profits tax and income-tax. Sir John Sheehy stated that this question would have to be considered by the Government of India, and advised the Association to represent matters to Government. At that time he personally thought that the Central Board of Revenue, if asked, would probably be prepared to recommend something similar to what had recently been done in the United Kingdom in the same connection. The matter was accordingly represented to Government by the Association, and I enclose herewith for ready reference a copy of the Association's letter No. 200, dated the 12th September 1944.\*

No reply was received to this communication from Government, but in Bill No. 6 of 1945—A Bill further to amend the Indian Income-tax Act, 1922, and the Excess Profits Tax Act, 1940—introduced by the Finance Member in the Legislative Assembly on 28th February 1945, provision was made for expenditure incurred on research, to be allowed as revenue. The Bill was referred to a Select Committee of the House, of which Sir Vithal Chandavarkar, the Chairman of the Association, was a member. When the Select Committee met, Sir Vithal enquired from Sir Jeremy Raisman and Sir John Sheehy as to what the position would be in connection with the contributions made by members of the Association in the years 1943-44 and 1944-45. Both Sir Jeremy and Sir John appreciated the position of mills which had contributed. Sir Jeremy also said that the Bill did not require an amendment for the specific purpose and that the situation could be met by Government sanctioning the allowance of such expenditure by means of executive instructions, and at his request Sir Vithal prepared a list showing the names of mills and the dates on which each mill had contributed to the Fund. For ready reference, I enclose herewith a copy of the list in question. The list was not, however, handed over to Sir Jeremy Raisman as the Bill was, almost immediately thereafter, withdrawn by Government, and no further action was taken in the

matter. Early in August 1945, the Committee met Sir John Sheehy again, and reopened the question, but Sir John Sheehy stated that this was a matter for the Finance Member. The Association submitted a further representation to Government on 6th December 1945\* requesting the enactment of legislation on the lines of the Income-tax Amendment Bill previously withdrawn by Government. This representation also contained a specific reference to the contributions made by members of the Association to the Technological Department of the University of Bombay, and it was suggested that the Bill should contain a specific provision to cover these contributions. My attention has since been drawn to the provisions of clause 3 of the Income-tax (Amendment) Bill and clause 9 of the Finance Bill introduced by the Hon'ble the Finance Member in the Assembly on 28th February 1946. My reading of clause 9 of the Finance Bill is that the concessions granted in the Income-tax Bill in regard to expenditure on scientific research will only apply to the previous year concerned, in connection with the assessment for the year ending the 31st day of March 1946. In other words, the previous year for the purposes of this assessment may be either the accounting year ending 31st December 1945, or the fiscal year 1944-45. If this reading of the situation is correct, then contributions made on a date which may be before the commencement of the year 1944-45 will not come within the scope of the concession. On a reference to the list enclosed herewith, it will be seen that there are mills whose contributions would not be covered by the proposed clause, and it is, therefore, suggested that Government may be pleased to extend the scope of the Bill to such mills also either by an amendment of the Bill or by the issue of executive orders.

*List of Mills which have contributed to the Department of Chemical Technology of the University of Bombay.*

Name of Mill.	Accounting year ends on	Amount.	Date on which the amount was received by the Association
		Rs.	
1. The Apollo Mills Ltd.	31-12-44	4,695	17-3-1944
2. The Bombay Dyeing & Mfg. Co., Ltd	31-12-44	23,700	14-1-1944
3. The Bradbury Mills Ltd.	31- 3-44	3,670	4- 1-1944
4. The Century Spg. & Mfg. Co., Ltd.	31-12-43	11,950	30-12-1943
5. The Colaba Land & Mill Co., Ltd	31-12-44	4,200	22- 1-1944
6. The Coorla Spg. & Wvg. Co., Ltd	31- 3-45	2,900	13- 4-1944
7. The Crown Spg. & Mfg. Co., Ltd.	31- 3-44	5,260	5- 1-1944
8. The David Mills Co., Ltd.	31-12-44	6,900	5- 1-1944
9. The Dawn Mills Co., Ltd.	31-12-44	2,890	11- 2-1944
10. The Dhanraj Mills Ltd.	31- 3-45	3,790	14- 4-1944
11. The Digvijay Spg. & Wvg. Co., Ltd.	31-12-44	5,500	7- 2-1944
12. The India United Mills Ltd.	31-12-44	31,400	15- 1-1944
13. The Edward Textiles Ltd.	31-12-44	4,180	5- 1-1944
14. The Elphinstone Spg. & Wvg. Mills Co., Ltd.	31- 3-44	3,710	25- 1-1944
15. The Finlay Mills Ltd.	31-12-43	5,375	29-12-1943
16. The Gold Mohur Mills Ltd.	31-12-43	4,580	30-12-1943
17. The Hindoostan Spg. & Wvg. Mills Co., Ltd.	31- 3-44	5,170	5- 1-1944
18. The Hirjee Mills, Ltd.	31- 3-44	3,200	19- 2-1944
19. The Indian Mfg. Co., Ltd.	31- 3-44	5,655	3- 1-1944
20. The Jam Mfg. Co., Ltd.	31-12-44	6,130	7- 2-1944
21. The Jubilee Mills Ltd.	30- 6-44	3,830	29- 2-1944
22. The Kamala Mills, Ltd.	31-12-44	4,700	11- 1-1944
23. The Khatau Makanji Spg. & Wvg. Co., Ltd.	30- 6-44	8,695	20- 1-1944
24. The Kohinoor Mills Co., Ltd	31-12-44	10,885	31- 1-1944
25. The Madhowji Dharamsi Mfg. Co., Ltd.	31- 3-44	4,125	6- 1-1944
26. The Madhusudan Mills, Ltd.	30- 6-44	6,740	12- 4-1944
27. The Meyer Mills, Ltd.	31-12-44	4,865	5- 1-1944
28. The Modern Mills Ltd.	31-10-44	3,020	15-12-1943
29. The Moon Mills, Ltd.	31-12-44	3,880	6- 1-1944
30. The Morarjee Goculdas Spg. & Wvg. Co., Ltd.	30- 6-44	10,130	10- 1-1944
31. The New China Mills Ltd.	31-12-44	4,400	20- 1-1944
32. The New City of Bombay Mfg. Co., Ltd.	31-12-44	3,940	22- 1-1944
33. The New Great Eastern Spg. & Wvg. Co., Ltd.	31-12-44	4,940	28- 1-1944
34. The New Kaiser-I-Hind Spg. & Wvg. Co., Ltd.	31- 3-44	6,300	5- 1-1944
35. The New Union Mills, Ltd.	31-12-43	3,790	24-12-1943
36. The New Pralhad Mills, Ltd.	31-12-43	4,410	29-12-1943
37. The Phoenix Mills Ltd.	31-12-44	4,670	2- 2-1944
38. The Podar Mills Ltd.	30- 9-44	3,780	23-12-1943
39. The Ruby Mills, Ltd.	31- 3-44	1,955	8- 2-1944
40. The Sassoon Spg. & Wvg. Co., Ltd	31-12-43	6,330	24-12-1943
41. The Shree Niwas Cotton Mills Ltd.	31-12-44	8,150	8- 1-1944
42. The Shree Ram Mills, Ltd.	31-12-44	4,770	5- 2-1944

\* Not printed.

Name of Mill.	Accounting year ends on	Amount.	Date on which the amount was received by the Association.
		Rs.	
43. The Simplex Mills Co., Ltd.	31- 3-44	4,725	12- 1-1944
44. The Sir Shapurji Broacha Mills Ltd. (including Indian Woollen Mills)	31- 3-44	7,130	8- 1-1944
45. The Seksaria Cotton Mills, Ltd.	31-12-44	7,125	13- 1-1944
46. The Standard Mills Co., Ltd.	31-12-44	7,050	18- 1-1944
47. The Svadeshi Mills Co., Ltd.	31-12-44	8,855	5- 1-1944
48. The Swan Mills Ltd.	31-12-43	3,880	28-12-1943
49. The Tata Mills Ltd.	31-12-44	8,005	4- 1-1944
50. The Victoria Mills Ltd.	31-12-44	5,150	21- 4-1944
51. The Western India Spg. & Mfg. Co., Ltd.	31- 3-44	5,205	5- 1-1944
52. The Sassoon & Alliance Silk Mill Co., Ltd.	31-12-43	570	24-12-1943
53. The Indian Bleaching, Dyeing & Printing Works Ltd.	31-12-44	2,670	19- 1-1944
54. The Raymond Woollen Mills Ltd.	31-12-44	2,170	5- 1-1944
55. The Usha Woollen Mills Ltd.	31-12-44	485	16- 3-1944
56. The Ahmed Woollen Mills	31- 3-45	810	9- 8-1944
57. The Bangalore Woollen, Cotton & Silk Mills Co., Ltd.	31-12-44	2,500	15- 1-1944
58. The Buckingham & Carnatic Co., Ltd.	31-12-44	2,500	14- 1-1944
59. The Delhi Cloth & General Mills Co., Ltd.	30- 6-44	2,000	25- 1-1944
60. The Gaekwar Mills Ltd.	31-12-43	1,738	15-12-1943
61. The Gokak Mills Ltd.	31-12-44	3,000	12- 1-1944
62. The Jam Shri Ranjitsinhji Spg. & Wvg. Co., Ltd.	30- 6-44	1,434	8- 2-1944
63. The Khandeish Spg. & Wvg. Mills Co., Ltd.	31- 3-44	1,500	21- 1-1944
64. The Lakshmi Cotton Mfg. Co., Ltd.	31-12-44	3,426	6- 1-1944
65. The Madura Mills Co., Ltd.	31-12-43	9,320	27-12-1943
66. The Minerva Mills Ltd.	31-12-44	1,000	19- 1-1944
67. The Mysore Spg. & Mfg. Co., Ltd.	28- 2-44	1,427	12- 1-1944
68. The Narsingirji Mfg. Co., Ltd.	31-12-44	3,540	18- 1-1944
69. The Navsari Cotton & Silk Mills Co., Ltd.	31-12-43	1,146	27-12-1943
70. The Pratap Spg., Wvg. & Mfg. Co., Ltd.	30- 6-44	3,184	17- 3-1944
71. The Raja Bahadur Motilal Poona Mills Ltd.	31-12-44	1,311	15- 2-1944
72. The Sholapur Spg. & Wvg. Co., Ltd.	31- 3-44	7,214	24- 2-1944
73. The Shri Jagadish Mills Ltd.	31-12-44	1,398	19- 2-1944
74. The Shri Shahu Chhatrapati Mills	31-12-44	450	3- 2-1944
75. The Vishnu Cotton Mill Ltd.	31-12-44	3,792	6- 1-1944
76. The Barsi Spg. & Wvg. Mills Ltd.	31-12-44	828	7- 7-1944
77. The Bharat Spg. & Wvg. Co., Ltd.	31- 3-45	1,208	2- 8-1944
78. The Broach Fine Counts Spg. & Wvg. Co., Ltd.	31- 3-45	1,790	10- 7-1944
79. The Lokmanya Mills Ltd.	31-12-44	529	18- 5-1944
80. The Maharana Mills Ltd.	31-12-44	1,501	26- 4-1944
81. The Morvi Cotton Mills Ltd. (now the Shree Ramesh Cotton Mills Ltd.)		251	5- 5-1944
82. The New Pratap Spg., Wvg. & Mfg. Co., Ltd.	30- 6-44	2,960	30- 6-1944
83. The Jayashankar Mills, Barsi, Ltd.	30- 9-44	480	8- 8-1944
84. The Niranjan Mills Ltd.	31- 3-45	650	2- 8-1944
85. The Anjar Spg. & Wvg. Mills Ltd.		420	25- 9-1944
86. The Chhoi Silk Mills Co., Ltd.	30- 6-45	1,001	18- 4-1945

*Copy of letter No. 2981-P.S., dated 4th April 1946, from the Principal Secretary to the Government of India, Finance Department, New Delhi, to the Association.*

I invite your attention to your letter No. 200, dated the 9th of March 1946, regarding the position in regard to income-tax of contributions to research and research institutions made by members of your Association in the years 1943-44 and 1944-45.

2. The relevant provision of the Indian Finance Bill as introduced in the Legislative Assembly, namely, sub-clause (10) of clause 9, remained unamended during the passage of the Bill through the Legislature and has emerged unchanged as sub-section (10) of section 11 of the Indian Finance Act, 1946. That provision the Government of India consider to be both reasonable and generous. Under it, sums paid within the accounting year for the 1945-46 assessment will be allowed the benefit of the new concession provided, of course, that the Bombay University and the purpose of the subscriptions are approved by the "prescribed authority," regarding which there is not perhaps much cause for anxiety. Payments made before that year will, of course, be disallowed. Thus, where the accounting year is the calendar year, as in the case of the David Mills Co., Ltd. (item 8 in your list), a sum paid on the 5th of January 1944 will be allowed, but where the accounting year is the financial year, as in the case of the Crown Spinning and Manufacturing Co., Ltd. (item 7 in your list), a sum paid on the 5th January 1944 will be disallowed. A line has necessarily to be drawn somewhere, and the view of the Government and of the Legislature is that the limit has been fairly fixed.



*Copy of letter No. 200, dated 18th April 1946, from the Association to the Principal Secretary to the Government of India, Finance Department, New Delhi.*

I am directed to acknowledge with thanks the receipt of your letter No. 2981-P.S., dated the 4th April 1946, explaining the position in regard to income-tax on contributions made by the member mills of this Association to the Department of Chemical Technology of the University of Bombay in the years 1943-44 and 1944-45, and to state that, while my Committee appreciate that a limit has necessarily to be fixed beyond which the benefit of the new concession cannot be made available they are unable to accept the reasonableness of the Government's ruling in this particular matter.

As has been pointed out in my earlier communications on the subject (*vide* letters No. 200, dated the 12th September 1944, and 9th March 1946), contributions were made by members in response to an appeal issued by the Chairman of the Association for raising a fund to be handed over to the Department of Chemical Technology of the University of Bombay. The original appeal was issued by the Chairman on 15th December 1943, and it would hardly be fair or equitable to penalise those members who had responded to the appeal more promptly than others. If, as it is presumed, the purpose for which the donations were made would be approved by the "prescribed authority," it would be only fair to treat all these who contributed on the same footing. The operation of the existing provision would, however, as is apparent from the two examples quoted in your communication, create an anomalous position under which payments made by two members on the same date are treated differently. Furthermore, some of the mills which had made payments earlier would not get the benefit of the concession. I give below a list of the mills which, under the present provisions, may not be able to get the benefit of the concession :—

Name of Mill.	Accounting year ends on	Amount.	Date on which the amount was received by the Association.
		Ra.	
1. The Century Spg. & Mfg. Co., Ltd.	31-12-1943	11,950	30-12-1943
2. The Crown Spg. & Mfg. Co., Ltd.	31- 3-1944	5,260	5- 1-1944
3. The Elphinstone Spg. & Wvg. Mills Co., Ltd.	31- 3-1944	3,710	25- 1-1944
4. The Finlay Mills, Ltd.	31-12-1943	5,375	29-12-1943
5. The Gold Mohur Mills Ltd.	31-12-1943	4,580	30-12-1943
6. The Hindoostan Spg. & Wvg. Mills Co., Ltd.	31- 3-1944	5,170	5- 1-1944
7. The Hirjee Mills Ltd.	31- 3-1944	3,200	19- 2-1944
8. The Indian Mfg. Co., Ltd.	31- 3-1944	5,655	3- 1-1944
9. The Madhowji Dharamsi Mfg. Co., Ltd.	31- 3-1944	4,125	6- 1-1944
10. The New Kaiser-I-Hind Spg. & Wvg. Co., Ltd.	31- 3-1944	5,300	5- 1-1944
11. The New Union Mills Ltd.	31-12-1943	3,790	24-12-1943
12. The New Pralhad Mills Ltd.	31-12-1943	4,410	29-12-1943
13. The Ruby Mills Ltd.	31- 3-1944	1,955	8- 2-1944
14. The Sassoon Spg. & Wvg. Co., Ltd.	31-12-1943	6,330	24-12-1943
15. The Simplex Mills Co., Ltd.	31- 3-1944	4,725	12- 1-1944
16. The Sir Shapurji Broacha Mills Ltd. (including Indian Woollen Mills)	31- 3-1944	7,130	8- 1-1944
17. The Swan Mills Ltd.	31-12-1943	3,880	28-12-1943
18. The Western India Spg. & Mfg. Co., Ltd.	31- 3-1944	5,205	5- 1-1944
19. The Sassoon and Alliance Silk Mill Co., Ltd.	31-12-1943	570	24-12-1943
20. The Gaekwar Mills Ltd.	31-12-1943	1,738	15-12-1943
21. The Khandeish Spg. & Wvg. Mills Co., Ltd.	31- 3-1944	1,500	21- 1-1944
22. The Madura Mills Co., Ltd.	31-12-1943	9,320	27-12-1943
23. The Mysore Spg. & Mfg. Co., Ltd.	28- 2-1944	1,427	12- 1-1944
24. The Navsari Cotton and Silk Mills Co., Ltd.	31-12-1943	1,145	27-12-1943
25. The Sholapur Spg. & Wvg. Co., Ltd.	31- 3-1944	7,214	24- 2-1944

If it is not possible to extend the benefit of the concession to all mills who have contributed, regardless of the date of payment in view of the wording of the Finance Act, it is suggested that this matter be set right by Government issuing executive instructions which, my Committee believe, they are competent to issue.

*Copy of letter C. No. 27 (28)-IT/46, dated 22nd June 1946, from the Secretary, Central Board of Revenue, New Delhi, to the Association.*

Your letter No. 200 of 1946, dated the 18th April 1946 to the Principal Secretary to the Government of India, Finance Department.

2. The Board have carefully considered the matter, but they see no reason to go further than what the law provides.

*Copy of letter No. 200-B., dated 18th July 1946, addressed by Sir Vishal Chandavarkar to Sir John Sheehy, Central Board of Revenue, Simla.*

I enclose herewith for ready reference copies of the undermentioned correspondence :—

- (1) Copy of my letter No. 200, dated 12th September 1944, to the Secretary to the Government of India, Department of Finance, New Delhi.
- (2) Copy of my letter No. 138, dated 6th December 1945, to the Secretary to the Government of India, Finance Department, New Delhi.
- (3) Copy of my letter No. 200, dated 9th March 1946, to the Principal Secretary to the Government of India, Department of Finance, New Delhi.
- (4) Copy of a letter No. 2981-P-S, from the Principal Secretary to the Government of India, Finance Department, New Delhi, to the Association.
- (5) Copy of my letter No. 200, dated 18th April 1946, to the Principal Secretary to the Government of India, Finance Department, New Delhi.
- (6) Copy of a letter No. DS(P)/9, dated the 27th May 1946, from the Deputy Secretary to the Government of India, Finance Department.
- (7) Copy of letter No. 200B, dated 31st May 1946, from the Association to the Secretary, Central Board of Revenue.
- (8) Copy of letter No. 27(28)-IT/46, dated the 22nd June 1946, from the Secretary, Central Board of Revenue.

The Secretary to the Government of India, Department of Finance, mentioned in his letter dated 27th May 1946,\* that the representations made by the Association had been passed on to the Central Board of Revenue, but the latter has now said that they see no reason to go further than what the law provides. This is very disappointing indeed, firstly, for the reason that we did not expect that from the Central Board, who I thought knew all about this case, and secondly, for the reason that we thought the Board would have given us some reasons, if it were not possible for them to meet us. I personally feel that a great injustice has been done to some of our mills, and I appeal to you to reconsider the whole case. Government's decision to penalise those mills, which were prompt in responding to the appeal made by me as the Chairman of the Association, would embarrass the Association and the Chairman when making appeals in future for financial assistance for any cause whatsoever. I have set forth all the facts of our case in our letter of 18th April, a copy of which is being sent to you with this communication, and I would be grateful if you could go into this matter and let me know what can be done to give relief to the mills specifically mentioned in our letter of 18th April, which unfortunately fall beyond the scope of the concession announced by Government.

*Copy of letter D.O.C. No. 27(32)-I.T/46, dated 18th October 1946, from Sir John Sheehy to Sir Vishal Chandavarkar.*

Please refer to your D.O. No. 200-B of 1946, dated the 18th July 1946.

2. The question has been reconsidered and in order to avoid discrimination it has been decided as a special case to extend the concession in section 11(10) of the Indian Finance Act, 1946, to those member mills of your Association also who have made contributions to the Department of Chemical Technology of the University of Bombay in the year 1943-44 but whose payments fell in their "previous year" for the assessment year 1944-45.

*Copy of letter No. 200-B, dated 21st October 1946, from Sir Vishal Chandavarkar to Sir John Sheehy.*

Many thanks for your letter, D.O.C. No. 27(32)-I.T./46, dated the 18th October 1946. I am sure the concession will be greatly appreciated by all members of the Association.

The decision is being communicated to all members of the Association.

*Copy of Circular No. 200-B, dated 8th November 1946, to all members of the Association who have contributed to the Department of Chemical Technology of the University of Bombay.*

I am directed to invite the attention of members to the Chairman's appeal dated 15th December 1943 and to the contributions made by members to the Fund raised by this Association on behalf of the Department of Chemical Technology of the University of Bombay. The contributions made by members were disallowed by the Income-tax Officer, as at the time when the contributions were made, there was no provision in the Income-tax Act to allow such sums as business expenses. Representations were therefore made to the Government of India in September 1944. No written reply was received, but Government conceded the demand in the Income-tax Amendment Bill of 1945, which was subsequently withdrawn. The Income-tax Amendment Act, 1946, granted the concession asked for, but the Finance Act, 1946, restricted it only to expenses incurred in the previous year for the assessment, for the year ending 31st March 1946. In other words, contributions made on a date before the commencement of the year 1944-45 did not come within the scope of the concession. As there were several mills whose contributions were not covered by the proposed concession, representations were again made to Government to extend the scope of the concession. Government, however, regretted their inability to do so, and the matter was, therefore, taken up by Sir Vithal Chandavarkar who in a personal communication to Sir John Sheehy pointed out that Government's decision sought to penalise those mills which had promptly responded to the Association's appeal and donated to the fund. Sir Vithal further pointed out that all mills which had contributed should be treated on the same footing. Sir Vithal's point has since been conceded and the following letter addressed to him by Sir John Sheehy will be self-explanatory :

" Please refer to your D.O. No. 200-B of 1946 dated 18-7-1946.

" The question has been reconsidered and in order to avoid discrimination it has been decided as a special case to extend the concession in section 11(10) of the Indian Finance Act, 1946, to those member mills of your Association also who have made contributions to the Department of Chemical Technology of the University of Bombay in the year 1943-44 but whose payments fell in their 'previous year' for the assessment year 1944-45."

### APPENDIX 13.

#### INCOME-TAX ASSESSMENT—ADMISSIBILITY OF EXPENSES INCURRED IN CONNECTION WITH THE REGISTRATION OF TRADE MARKS AS BUSINESS EXPENSE.

*Copy of Circular No. 293, dated 28th February 1945, to all members of the Association.*

Further to my letter No. 293, dated 16th May 1944, I circulate herewith a copy of the judgment given by the Income-tax Appellate Tribunal on the appeal filed by the Century Spinning and Manufacturing Co., Ltd., in the above matter. Members whose appeals are still pending before the Appellate Assistant Commissioner may please ask him to proceed with their case on the basis of the judgment.

*Judgment given by the Income-tax Appellate Tribunal on 23rd January 1945 on the appeal filed by the Century Spinning and Manufacturing Co., Ltd.*

These two appeals are preferred by the appellant company respectively from its assessments to income-tax and excess profits tax. The chargeable profits for the purpose of both the assessments are of an identical accounting period which is calendar year 1942. The appeals involve common facts and an identical point which, broadly speaking, is whether certain expense incurred by the appellant company in the year of account for fees payable in respect of applications for registering its trade-marks under the Trade Marks Act (V of 1940) is admissible to deduction, under section 10(2)(xii) of the Indian Income-tax Act.

2. The contest arises in the following circumstances. The Trade Marks Act was enacted in 1940, and its material provisions came into force in the following year. Among other things, it provides for the registration of trade-marks, both "old" and "new," that is to say, those to which the proprietor had acquired an exclusive right by long and continuous user since before 25th February, 1937, and those adopted for use after that date or proposed to be used after the commencement of the Act. An important section of the Act, as will presently appear, makes such a distinction between the two classes with reference to the particular date; and we have borrowed the terms "old" and "new" from a circular of the Central Board of Revenue in this connection to describe and distinguish the two classes. A person desiring to register his trade-mark, old or new, has to make an application in writing in a prescribed form to the Registrar of Trade Marks, under section 14(1) of the Act. One of the rules made by Government under section 84 prescribes certain fees to be paid in respect of such an application. The first registration of a trade-mark remains in effect for a period of seven years after which registration has to be periodically renewed, under section 18. A prescribed fee is also payable in respect of an application for each such renewal.

3. The appellant company carries on a business of manufacture and sale of textile goods which it stamps with certain distinctive trade marks of its own. The company had acquired an exclusive right to these trade-marks by long and continuous user since before 25th February 1937. The trade-marks had also been registered with the Millowners' Association. These facts are undisputed. They were thus the company's "old" trade-marks according to the description contained in the circular of the Central Board of Revenue just alluded to. In the year of account, the company made one or more applications for their first registration and incurred an expense of Rs. 16,707 on account of the prescribed fees. It debited the amount to its revenue account and claimed an allowance in respect of it in the computation of its business profits for the purposes of both the assessments under appeal.

4. The Income-tax Officer declined to make the allowance holding that the expenditure was of a capital nature, being incurred in respect of a capital asset such as the trade-mark. In appeal before the Appellate Assistant Commissioner it was conceded, as it is conceded before us, that the trade-marks in question are a capital asset of the appellant company. But it was argued that registration did not confer upon the company any greater right in respect of such an asset than what it had already possessed prior to registration since the trade-marks had been in existence as an asset prior to 25th February 1937. It was further argued that registration would only enable the company to obtain remedy against infringement more speedily and with less expense. In other words, the appellant company's case was that the expense on account of the application fees was incurred merely for the purpose of protection or maintenance of a capital asset, and was, consequently, an expenditure attributable to revenue. From the concluding portion of his order it would appear that the learned Appellate Assistant Commissioner was impressed with these arguments on a consideration of several important decided authorities laying down certain tests to distinguish a capital expenditure from a revenue expenditure. Nevertheless, he felt himself bound by certain departmental instructions contained in a circular of the Central Board of Revenue No. 33, dated 12th November 1943, a copy of which has been supplied to us by the courtesy of the Departmental Representative. We will reproduce the instructions in this place:—

"The question has arisen whether the cost of deposit and registration of trade-marks incurred under the Trade Marks Act V of 1940 is an admissible expense in the computation of profits for the purposes of income-tax assessments. The Board consider that in so far as the cost of initial registration of new trade-marks under Act V of 1940 is concerned, it should be treated as of a capital nature since such registration creates a capital asset. Any expenditure incurred on the renewal of registration should however be allowed as a revenue expense as the purpose of such renewal is not to create any new asset but merely to preserve an existing one. In the case of old trade marks in which a right has been acquired by exclusive and prior use, the cost of first registration under Act V of 1940 should be treated in the same way as the cost of initial registration in the case of new trade marks. For this purpose any trade-marks the use of which was declared in the application form under section 85 of the Trade Marks Act, 1940, to be prior to the 25th February 1937 should be regarded as having been acquired by exclusive and prior use."

In view of these instructions the learned Appellate Assistant Commissioner upheld the Income-tax Officer's order.

5. Under section 10(2) (xii) of the Indian Income-tax Act, any expenditure, not being in the nature of capital expenditure or personal expenses of the assessee, laid out or expended wholly and exclusively for the purpose of his business is admissible to deduction in the computation of the assessee's chargeable profits. Thus the two questions that arise in cases of this kind are first, whether the expense is attributable to capital or to revenue; and, secondly, if it is revenue expense whether such expense was incurred wholly and exclusively for the purpose of the assessee's business. As regards the first question, the Indian Income-tax Act does not provide a criterion to distinguish one kind of expenditure from the other, and it has to be answered with the aid of some principle of general application. Lord Dunedin in *Vallambrosa Rubber Co., Ltd. vs. Farmer*, 5 T.C. 529, thought that capital expenditure was an expenditure incurred once and for all. But such a test was found to be indecisive, and in *Alberton vs. British Insulated & Helsby Cables*, 16 T.C. 155, Lord Chancellor Cave propounded it thus (at p. 192 of the Report) :—

“ But when an expenditure is made, not only once and for all, but with a view to bringing into existence an asset or an advantage for the enduring benefit of a trade, I think that there is very good reason (in the absence of special circumstances leading to an opposite conclusion) for treating such an expenditure as properly attributable not to revenue but to capital.”

This principle has been expressed in an amplified form by Lawrence J. in *Southern vs. Borax Consolidated Ltd.*, 1942 I.T.R. Suppl. P.I. After reviewing a number of English decisions on the point, the learned Judge observed (at page 5 of the Report) :—

“ On the other question as to whether this is a payment properly attributable to capital or to revenue, in my opinion the principle which is to be deduced from the cases is that where a sum of money is laid out for the acquisition or improvement of a fixed capital asset it is attributable to capital, but that if no alteration is made in the fixed capital asset by the payment, then it is properly attributable to revenue, being in substance a matter of maintenance, the maintenance of the capital structure or the capital assets of the company.”

The above observations also help to understand the meaning of the phrase “ an advantage for the enduring benefit of a trade ” used by Lord Chancellor Cave in his speech in the *Halsbury Cables* case. The criterion stated by Lawrence J. has been recently adopted by the Nagpur High Court in *Central India Spg., Wvg. & Mfg. Co., Ltd. vs. Commissioner of Income-tax*, C.P. and U.P., 1943 I.T.R. 266, where Niyogi J. held that legal expense incurred by the assessee company in that case in connection with an action for an infringement of its trade-mark by another company was for the protection of its capital asset and was consequently a revenue expenditure.

6. It is contended on behalf of the Department that, in the first place, the expense of Rs. 16,707 incurred by the appellant-company in respect of application fees for the initial registration of its trade-marks is capital expenditure; and, secondly, that, even if it is revenue expenditure, it was not incurred wholly and exclusively for the purpose of its business. On the first point it is common ground that the trade-marks are a capital asset of the appellant company, as stated before. There is also no dispute that these trade-marks were, in point of fact, an existing asset of the company when the Trade Marks Act came into force, having been acquired in the manner described before. Clearly, therefore, the expense on account of the application fees for the initial registration of its trade-marks did not help to bring into existence any such capital asset of the company. The notion underlying the instructions in the circular of the Central Board of Revenue on this point appears to be that the first registration of an old trade-mark helps to bring a capital asset into existence by means of a statutory recognition of its prior prescriptive use. We shall discuss this aspect of the matter later, when we come to consider the circular. At the present moment, it suffices saying that the appellant-company's trade marks were, in point of fact, an existing asset. The learned Departmental Representative could not deny this. He has however relied mainly upon the alternative test of capital expenditure propounded by Lord Chancellor Cave, and his case is that the purpose of registration was to secure “ an advantage for the enduring benefit ”

of the appellant-company's trade. On the other hand, the assessee contends that the registration only helped to preserve their trade-marks by giving them additional protection from infringement.

7. It therefore becomes necessary in the first place to know what kind of advantage or benefit, if any, the appellant company could obtain by the initial registration of its trade-marks. For that purpose it is necessary to examine several material provisions of the Trade Marks Act. Chapter III of the Act (sections 14 to 19) deal with the registration of Trade Marks. An application for first registration is to be made under section 14(1). Any person claiming to be the proprietor of a trade-mark used or proposed to be used by him who is desirous of registering it must apply in writing to the Registrar. Section 15 describes the procedure that has to be followed before accepting an application for registration. On registration, a certificate of registration is granted under sub-section (2) of section 16. In virtue of section 18 (1) a certificate of first registration remains in effect for a period of seven years, after the expiry of which registration may be renewed in accordance with the provisions of sub-sections (2) and (3). Failure to obtain renewal entails a risk of the trade-mark being removed from the register. Section 19 deals with the effect of removal of a trade-mark for failure to renew the registration. Then Chapter IV of the Act describes the effect of registration, and sections 20 to 26 are more to the present purpose. Taking section 21 first, it gives to the proprietor of a registered trade-mark an exclusive right to its use in relation to the goods in respect of which it is registered. It further provides that such right shall be deemed to be infringed by another person who uses a mark identical with, or nearly resembling it. Section 20, sub-section (1) enacts that no person shall be entitled to institute any proceedings to prevent, or to recover damages for, the infringement of an unregistered trade-mark unless such trade-mark has been continuously in use since before the 25th day of February 1937. At the same time, sub-section (2) of that section leaves unaffected the right of action against any person passing off goods as the goods of the proprietor of the trade-mark. The right to the use of a trade-mark given under section 21 by registration is subject to the limitations specified in section 22. Registration also saves certain vested rights mentioned in sections 25 and 26. For instance, the proprietor of a registered trade-mark is not entitled to interfere with the use by another person of an identical unregistered mark if the latter had been continuously used prior to the use or registration of the former. Lastly, we come to sections 23 and 24. In virtue of the former, a registration certificate is *prima facie* evidence of its validity, and, under the latter, such evidence acquires finality or conclusiveness after a period of seven years, that is to say, after the registration is renewed under the provisions of section 18. In this place we shall also notice sections 28 to 30 which occur in Chapter V dealing with assignment and transmission of trade-marks. A person who is entered in the register as the proprietor of a trade-mark has a right to assign or transmit it subject to the provisions of Chapter V. An unregistered trade-mark may be similarly assigned but its assignment is subject to the limitations imposed by the proviso to section 30.

8. It is obvious from these several sections that, in the first place, registration of a trade-mark is not compulsory under the Act. Any person claiming to be the proprietor of a trade-mark desirous of getting it registered may do so by a written application to the Registrar. Next, both old and new trade-marks may be registered under the Act. In other words, a person who has acquired a prescriptive title to a trade-mark may register it if he desires to do so. Further, the first registration remains in force for a period of seven years. Turning to the effect of registration, doubtless section 21 gives the proprietor of a registered trade-mark a right to its exclusive use in relation to any goods in respect of which it is registered. But obviously it does not add to, or subtract anything from, the right that a person has acquired to a trade-mark by long and continuous user, that is to say, the right acquired independently of registration. Section 20 (1) doubtless precludes the proprietor of an unregistered trade-mark from seeking a specific remedy against its infringement by another person; but the disability is confined to the case of a new unregistered trade-mark. On this point the section is very clear. For, while taking away the right of the proprietor of a new unregistered trade-mark to bring a suit for infringement, it leaves entirely unaffected a similar right of a proprietor of an old trade-mark, that is to say, one that had been in continuous use since before 25th February 1937. Under sub-section (2) of that section, proprietors of either class of trade-marks can maintain an action for such remedy as he is entitled to against a person passing off goods under a colourable imitation. In substance, therefore, neither of the two sections

confers any greater right or advantage upon the proprietor of an old trade-mark, nor does it take away the right that he has already acquired by long user. As far as we can see, the only advantage of registration lies in the probative value that a certificate gathers under sections 23 and 24. For the first seven years the probative value of the certificate absolves the proprietor from having to establish his exclusive right to the use of the trade-mark by means of elaborate and expensive evidence. The burden in such a case lies upon the other side to rebut the evidence afforded by the registration certificate. Such a rebuttal becomes altogether inadmissible if the certificate is periodically renewed. In the matter of assignment, too, we do not see what particular benefit the proprietor of an old trade-mark gets by registration. Both kinds of marks are assignable, either subject to the provisions of the Act or specific limitations imposed by it.

9. It is contended on behalf of the assessee that the expense in connection with the application in this case was not incurred for the purpose of either acquiring a capital asset, or improving or altering it. The advantage, if any, that is gained is purely procedural in its character in that it saves a good deal of trouble and expense of collecting and producing proof of assessee's exclusive right to the trade-mark in the case of infringement. The learned Departmental Representative maintains that the probative value that registration gives to the certificate, as well as the facility of assignment and transmission of a trade-mark, are advantages for the enduring benefit of a trade, so that the expense incurred for the purpose of gaining these advantages is capital expenditure. As regards the latter contention we must observe that we are not concerned in this case with the expense, if any, in connection with the assignment or transmission of a trade-mark or a certificate of assignment to be granted under section 31 (2) of the Act. The trade-mark being a capital asset, apparently any expenditure incurred in connection with its assignment would be capital expenditure. Moreover, assignability of a trade-mark is not, in our opinion, one of the effects of registration. The assignment is dealt with in a separate chapter of the Act, and has little to do with the effect of registration described in Chapter III. It is also very difficult to say that a person applying for registration of a trade-mark does so with a view to its eventual assignment. Assuming that a registered trade-mark acquires certain advantage in the matter of assignment, that can in no sense be regarded as an advantage for the enduring benefit of a trade. We would therefore dismiss the second of these two contentions.

10. The more important point is whether the probative value of the registration certificate amounts to an "advantage for the enduring benefit of a trade" in the sense in which that phrase is used by Lord Chancellor Cave in *Halsbury Cables* case. What his lordship was speaking of was not only an advantage, but a trade advantage of enduring benefit. A trade advantage is obviously a commercial advantage, that is to say, a gain from a commercial point of view, and not an advantage of a purely procedural value character that may be availed of in a Court of Law in the event of an infringement which may or may not happen. We also find it almost impossible to hold that the probative value of the certificate is an advantage for the "enduring benefit" of the assessee-company's trade. As Rowlatt J. pointed out in *Anglo-Persian Oil Co., Ltd. vs. The Commissioners of Inland Revenue*, 16 F.C. 233, at p. 262, the expression "enduring benefit" means a benefit which "endures in the way that a fixed capital endures." Such a benefit consists in an improvement or alteration in the capital asset. In the present case, the assessee-company's title to the trade-mark, which was a good title even before registration, has remained the same. Nothing is added to it and nothing is taken away from it. The asset has been simply maintained, and perhaps better protected from infringement which would have prejudicially affected the sale of its goods and diminished its profits. Registration does not add to the value of the trade-mark. A customer does not buy the trade-mark but the goods that are stamped with it. It only helps to attract the attention of customers and popularise the goods.

11. It only remains to notice three decided authorities cited on behalf of the Department. In *Van Den Berghs Ltd. vs. Clark*, 1935 L.T.R. Suppl. p. 17, the question was whether a sum of money paid upon cancellation of an agreement was a capital payment. The House of Lords held on the facts of the case that it was a payment for the alteration of the capital asset of the company and was therefore payment attributable to capital. Obviously, alteration of a capital asset was an advantage for the enduring benefit of the trade. *Commissioners of Income-tax, Bombay, vs. Sir Homi M. Mehta*, 1943, I.T.R. 142, was a case of the assessee

who was a promoter and managing director of a company making a gift of money to the latter when it was in financial difficulties. He claimed the sum as a deduction from his assessable income. Beaumont, C. J., after referring to Lawrence J.'s judgment in *Borax Consolidated* case, held that it was a capital expenditure being substantially incurred with the object of enhancing reputation of the assessee and that of the company. The third case is *Onuworth* vs. *Vickers Ltd.*, 6 T.C. 671, where the assessee-company who was experiencing difficulty in the matter of delivering a ship from its works devised a cheaper scheme for the provision of a deep water berth instead of undertaking heavy expense of repairing an approach channel. Rowlett J. held that the assessee had created a new state of circumstances to enable them to get round the difficulty, and that the expense was incurred in making what was in effect a new means of access from their works to the sea. The expense was accordingly held to be of a capital nature. These decisions, while emphasising the test of capital expenditure, do not justify the view urged on behalf of the Department. We have already pointed out that the expense in connection with the application for registration in this case was incurred for the purpose of maintaining or protecting a capital asset from being imperilled by a wrongful use by others. We think therefore that the only conclusion that we can reach is that the expenditure was of a revenue nature.

12. This brings us to consider the circular of the Central Board of Revenue reproduced at the outset upon which the Appellate Assistant Commissioner mainly, if not solely, relied in rejecting the assessee-company's claim to the expense in question. Although executive instructions such as those contained in the circular are primarily meant for the guidance of departmental authorities, they may yet be looked into by this Tribunal for the purpose of understanding the view of the Department which is equally charged with the proper administration of the Act. The first part of the circular makes a clear distinction between the cost of initial registration of a new trade-mark and that of renewal of registration of such a trade-mark. In the former case the cost is asked to be treated as capital expenditure, while, in the latter, as revenue expenditure. It is plain that the distinction is based on the factor of a capital asset coming into existence. In the case of first registration of a new trade-mark the cost helps to bring a capital asset into existence for the first time, while in the case of renewal of registration the expense is incurred only to preserve an asset which has already come into existence by the first registration. The second part of the circular deals with the nature of the expenditure incurred in respect of first registration of an old trade-mark. It substantially recognises that the old trade-mark is an existing asset having been acquired by exclusive and prior use. At the same time, it proceeds to direct that the cost of its first registration should be treated as capital expenditure, just as that incurred for the registration of a new trade-mark, notwithstanding that a right to it has been acquired by exclusive and prior use. That amounts to saying that the cost of initial registration of an old trade-mark is capital expenditure, albeit that the trade-mark as a capital asset had come into existence by prescriptive use before the date mentioned in the Act. Such a view strikes as highly inconsistent with the principle of distinction recognised and stated in the earlier part of the circular. It is however tried to be supported on the ground that a trade-mark, the use to which was declared in the application form under section 85 of the Trade Marks Act to be prior to 25th February, 1937, should be regarded as having been acquired by exclusive and prior use. Now, one may ask how an asset like the trade-mark acquired by prior and exclusive use before registration or before 25th February, 1937, can again be acquired by the same process by registering it. The proposition might have had some plausibility, if the effect of non-registration of an old trade-mark was to take away from its proprietor or user the right to its exclusive use for failure to register it. That the Act does not do. On the contrary, as we have pointed out, the important sections of the Act expressly save the right of exclusive user acquired by prescription in the case of an old trade-mark. You cannot say that an asset which is already existing is again brought into existence in the same form by the same process by which it was first acquired. We are not aware of any legal fiction with the aid of which such a result can be said to be achieved. Of course, a legal fiction may help to bring into existence a thing which was not existing before. Fictions of that kind are not unknown to Income-tax Law. For instance, income that does not, as a matter of fact, accrue or arise in British India may be deemed to accrue or arise in British India by the operation of section 42. And a person who is not in fact the agent of another person may yet be deemed to be such agent in the circumstances specified in section 43. But so strange a legal fiction as that the



circular appears to countenance is not indicated in any of the provisions of the Indian Income-tax Act. The logic of the concluding proposition of the circular is also open to serious doubt. In propounding the view that an old trade-mark which has been acquired must be regarded as being once again acquired by exclusive and prior use, the circular assumes to a certain extent that the asset or right was not in existence before. That is obviously a contradiction in terms. We, therefore, find it extremely difficult to see eye to eye with the instructions regarding the nature of the expenditure incurred for the first registration of an old trade-mark. If the latter is an asset already acquired by prescription it becomes an existing asset for all purposes, and any expense incurred for its registration has to be regarded as expense incurred in respect of existing asset. And if such expense does not either improve or alter the asset, but is incurred only for its better protection there appears to be no escape from the conclusion that it is revenue expenditure.

13. The only other point taken by the Department is that the expense in question was not incurred wholly and exclusively for the purpose of the assessee's business. Now this point was not taken before the Appellate Assistant Commissioner where the contest was apparently focussed upon the nature of the expenditure. Nevertheless, we shall consider it being invited to do so. The purpose of incurring the expenditure was to give better protection to the trade-mark against infringement and to save the trouble and expense to the assessee in a legal action to vindicate the right to its user. It may be that as far as the assessee company's legal rights are concerned it would not have been in a worse position if its trade-marks were unregistered. But the fact that it incurred the expenditure as a matter of expediency in order to give the trade-marks better protection will not in any way alter its nature. The expense may not have been a necessary expense of the business. Yet a sum of money expended not of necessity but voluntarily on the ground of commercial expediency, may yet be expended wholly and exclusively for the purpose of the business. That, in substance, is the observation of Lord Chancellor Cave in *Atheron vs. British Insulated & Helsby Cables* case cited above. If it is held that the expenditure was of a revenue nature the conclusion plainly follows that it was incurred for the purpose of the assessee-company's business.

14. For these reasons we allow the appeals, set aside the Appellate Assistant Commissioner's order and direct that the assessee-company's assessments be modified by allowing an expenditure of Rs. 16,707. This judgment will govern the excess profits tax appeal 14 (1) E.P.T.A.A. No. 31 Bombay of 1944-45.

#### ORDER.

For reasons recorded in our judgment in R.A.A. No. 119 Bombay of 1944-45, it is directed that the assessee-company's assessment be modified by allowing an expenditure of Rs. 16,707.

*Judgment of the Bombay High Court dated 2nd September 1946 in the Income-tax Reference No. 1 of 1946 in the Income-tax Commissioner's appeal against the Income-tax Tribunal's decision.*

#### JUDGMENT OF THE CHIEF JUSTICE, HON'BLE SIR STONES, C.J.

This is a reference under section 66 (1) of the Income-tax Act and the problem which we have to consider arises for the assessment year 1943-44 in respect of the account year of the assessee company which is the calendar year 1942. The questions referred to us concern an expenditure of Rs. 16,707 in fees consequential upon the assessee company, who carry on the business of textile mills, making an application for registration of their trade marks which had been continuously in use since before the 25th of February 1937. The questions submitted to us by the Tribunal are these,

- (1) "whether in the circumstances of the case the expense of Rs. 16,707 incurred by the assessee company in the material year of account in respect of application fees for the initial registration of its "old" trade marks, i.e., trade marks which had been continually in use since before the 25th day of February 1937, was rightly held to be expenditure attributable to revenue?"

(2) If it was revenue expenditure, whether it was incurred wholly and exclusively for the purposes of the assessee company's business ?

In this case we are glad to note that there is an agreed statement of facts from which it appears that

"The assessee company carries on a business of manufacture and sale of textile goods which are branded or stamped with its distinctive trade marks. The company had registered these trade marks. The company had registered these trade marks with the Millowners' Association, Bombay. They are its 'old' trade marks, in the sense that the company had been continuously using them since before the 25th February 1937, which date is important having regard to one of the material sections of the Trade Marks Act V of 1940."

And then a little further on :

"In the account year 1942 which is material to the assessments in question, the company made one or more applications for the first registration of their trade marks and incurred an expense of Rs. 16,707 on account of the prescribed application fees. It debited the amount to its revenue account and, in its assessment for 1943-44, claimed allowance in respect of it in the computation of its business profits, under section 10 (2) (xii) of the Indian Income-tax Act."

The first question, we have to consider, depends primarily on an appreciation of the nature and effect of the Trade Marks Act, 1940. As its preamble shows, it was enacted because it was expedient to provide for the registration and more effective protection of trade marks. The definition section is section 2 and by sub-clause (i) "registered" (with its grammatical variations) means registered under this Act; (j) "registered trade-mark" means a trade mark which is actually on the register and (l) "trade mark" means a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right, either as proprietor or as registered user, to use the mark whether with or without any indication of the identity of that person. The procedure which has to be adopted in order to effectuate registration is contained in Chapter III and in section 18 provision is made for the duration and renewal of registration. By sub-section (1) of that section, registration of a trade mark shall be for a period of seven years, and it may be renewed from time to time in accordance with the provisions of the section. Then sub-section (2) provides for the renewal of registration after the initial seven years for periods of 15 years and sub-section (3) provides that at the prescribed time before the expiration of the last registration of the trade mark the Registrar shall send notice in the prescribed manner to the registered proprietor of the date of expiration and conditions as to payment of fees and otherwise. Under a schedule which is referential to prescribed rules made under the Act the question of fees which have to be paid is provided for. Chapter IV is headed, "Effect of Registration," and commences with section 20. Sub-section (1) of that section provided that no person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark unless such trade mark has been continuously in use since before the 25th of February 1937, by such person or by a predecessor in title of his and unless an application for its registration, made within five years from the commencement of this Act, has been refused; and the Registrar shall, on application in the prescribed manner, grant a certificate that such application has been refused. Sub-section (2) saves rights with regard to passing off actions. Section 21 sets out rights conferred by registration and it is in these terms:—

"Subject to the provisions of sections 22, 25 and 26, the registration of a person in the register as proprietor of a trade mark in respect of any goods shall, if valid, give to that person the exclusive right to the use of the trade mark in relation to those goods and, without prejudice to the generality of the foregoing provision, that right shall be deemed to be infringed by any person who, not being the proprietor of the trade mark or a registered user thereof using by way of the permitted user, uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it is registered."

Mr. Setalvad on behalf of the Commissioner submits with reference to these two sections that they show that a trade mark is a capital asset and that this expenditure is to preserve that capital asset and to make it more effective whilst section 21 gives to the registered proprietor a proprietary right to the trade mark which he had not got before. Section 23 makes registration *prima facie* evidence of validity and by section 24 registration after seven years is to be conclusive as to validity. Section 28 which stands at the head of Chapter V, which chapter is entitled "Assignment and Transmission," provides that the person for the time being entered in the register as the proprietor of a trade mark shall, subject to the provisions of the Act, and to any rights appearing from the register to be vested in any other person, have power to assign the trade mark, and to give effectual receipts for any consideration for such assignment.

Section 29 provides :—

"Notwithstanding anything in any other law to the contrary a registered trade mark shall, subject to the provisions of this chapter, be assignable and transmissible whether in connection with the goodwill of a business or not, and in respect either of all of the goods in respect of which it is registered or of some only of those goods."

Section 30 which is concerned with the assignability of an unregistered trade mark provides, that an unregistered trade mark shall be assignable and transmissible whether in connection with the goodwill of a business or not, provided that, except in connection with the goodwill of a business, assignment or transmission shall be permissible only in the circumstances therein set out, which make it incumbent that the unregistered trade mark should be used in the same business as a registered mark and be assigned at the same time and to the same person as the registered, and that it relates to goods in respect of which a registered mark is assigned or transmitted.

These sections, Mr. Setalvad submits, give new rights which did not exist before and he contends that these new rights add to and alter the nature of this capital asset, viz., the trade mark.

The leading authority on this branch of the law is *British Insulated and Helsby Cables, Limited vs. Atherton*, 1926, A.C. 205. That case was with reference to a sum of £31,784 which a company had laid out to form the nucleus of a fund to provide the amount necessary in order that past years of service of their then existing staff should rank for certain pension benefits, the sum being arrived at by actuarial calculations and on the basis that the sum would ultimately be exhausted when the object for which it was provided had been attained. The passage from Viscount Cave's judgment which has since been much quoted is to be found at p. 213 :

"When an expenditure is made, not only once and for all, but with a view to bringing into existence an asset or an advantage for the enduring benefit of a trade, I think that there is very good reason (in the absence of special circumstances leading to an opposite conclusion) for treating such an expenditure as properly attributable not to revenue but to capital."

And Lord Atkinson at p. 221 said :

"It is difficult to see on what principle the company are, for the purposes of the assessment of income-tax for the year in which the payment was made, entitled to deduct it from their profits and gains for that year, since it cannot, I think, be regarded as forming part of the cost by which those profits and gains have been acquired, nor as an expenditure which, however prudent from the employers' point of view, was essentially necessary for the acquisition in that, or any subsequent year, of any portion of the profits and gains of the appellants' business. It would certainly appear to me not to be— to adopt Lord Sumner's phrase used by him in his judgment in *Usher's Wiltshire Brewery vs. Bruce* (1915) A.C. 433— a proper debit item to be charged against incomings of the trade when computing the balance of profits of it. That is apparently the view of it taken by Warrington L. J. He said: 'The real question I think which we have to determine is whether this is a proper debit item to be charged against the incomings of the trade when computing the balance of profits of it.' He held it was not a proper debit item."

The next case is *Anglo-Peruvian Oil Co. vs. Dale* (1932) 1 K.B. 124. Lord Hanworth at p. 138, referring to the passage in Lord Cave's judgment which I have read, said :—

“ Lord Cave's test that where money is spent for an enduring benefit it is capital seems to leave open doubts as to what is meant by 'enduring.' In *Mitchell vs. B. W. Noble, Ltd.* (1927) 1 K.B. 719, the dismissal of the director once and for all might have connoted an enduring benefit, but the expenditure was held not to be a capital expense.”

And Lord Justice Romer at p. 145 having referred to the case of *Usher's Wiltshire Brewery, Ltd. v. Bruce*, 1915, A.C. 433 said :

“ In these circumstances, it is not surprising that the cases in which the Court has been called upon to say whether some particular deduction is or is not permissible should have been numerous and not always easy to reconcile with others in which the facts were not dissimilar. Nor is it surprising that learned Judges should have applied tests which, however satisfactory for the purpose of solving the particular problem before them, should turn out to be inconclusive or insufficient when applied to the facts of another case.

“ At the end of the year 1925, however, all these authorities were considered by the House of Lords in *British Insulated and Helsby Cables v. Atherton* (1926) A.C. 205, and the law applicable to such cases as the present was, as it seems to me, placed beyond the realms of controversy. The boundary line between deductions that were permissible and those that were not had previously been uncertain and difficult to follow. As regards the large majority of deductions, there was and could be no conceivable doubt. They were clearly on one side of the line or the other. But as regards a comparatively small number, it was difficult to say on which side of the line they fell. This was particularly the case where, as in the present one, an expenditure is not a recurring one, but is made once and for all. It was pointed out by Lord Cave in Atherton's case that an expenditure, though made once and for all, may nevertheless be treated as a revenue expenditure and he then added this : (And the Lord Justice then quotes the passage I have read and continues). It should be remembered, in connection with this passage, that the expenditure is to be attributed to capital if it be made with a view to bringing an asset or advantage into existence. It is not necessary that it should have that result. It is also to be observed that the asset or advantage is to be for the 'enduring' benefit of the trade. I agree with Rowlatt J. that by 'enduring' is meant 'enduring in the way that fixed capital endures.’”

There are two other cases, on the subject to which reference can usefully be made, viz., *Southern v. Borax Consolidated Limited.*, 10 I.T.R. Supplement 1. The expenditure in question in that case was the legal expenses incurred by a company in England in defending certain litigation in America with regard to some of the land of the company in that country and Mr. Justice Lawrence said at p. 6 :—

“ So here if it could be said that this expenditure had in any way altered the original character of the capital asset which was acquired by the respondent company, I should have taken the view that the payment was in respect of capital, but as the capital asset of the respondent company in my opinion remained absolutely unaltered that payment is properly attributable to revenue.”

The other case is *Central India Spinning, Weaving and Manufacturing Co. v. Commissioners of Income-tax, C.P. and U.P.* (1943) 11 I.T.R. 266. That case also dealt with legal expenses the expenses being incurred in connection with a suit to restrain the infringement of a trade mark and they were held to be a proper deduction on revenue account.

It has been pointed out by the learned Advocate General on behalf of the assessee that as the owner of the trade mark, the assessee company had the right to sue for infringement of them even before the Trade Marks Act of 1940, the right of action being under sections 54 and 55 of the Specific Relief Act. The explanation to section 54 actually mentions a trade mark as being "the property" and a trade mark is also referred to in illustration (w) to that section. In the case *Ransome v. Grahams* 51 L.J. Chan. 97, Vice-Chancellor Bacon delivering judgment in the year 1882 and speaking of the English Trade Marks Act of 1875, said, that the law had undergone no change since the English Act came into force. But that statement must be taken with caution, because in fact the equivalents of sections 20 and 21 of the

Indian Act did not become law in England until the Trade Marks Act of 1905, and sections 28 to 30 both inclusive did not become law until the English Act of 1938.

Speaking of the English Act of 1875, Lord Justice Cotton in *Mitchell v. Henry* (1880) 15 Ch. Div. 181 at p. 193 said :

“ What the Act does, as I understand it, is this :—It enables persons to register a trade mark, and when they register it that is equivalent to evidence of public use of it by them, and during five years the registration is *prima facie* evidence of their exclusive right to it, and after the five years it is conclusive evidence of such right.”

In the case before us it seems to me that the duration of the advantage gained by registration is uncertain, the fees only preserve it for specified periods, in the first instance seven years and for subsequent periods of 15 years. How can it be said, to use the words of Lord Cave, “ to bring into existence an asset or advantage for the enduring benefit of the trade ” ? Can it be said that periods of 7 and 15 years are sufficiently permanently permanent to make it enduring ? I think not. It could not in my opinion be disputed that if in order to protect these trade marks by registration an annual fee had to be paid that the payments so made would be revenue payments and deductible for tax purposes and in my opinion the fact that the periodic payments are spaced by longer intervals cannot affect the principle, so long as the payments are recurrent and they are not made once and for all. But were the payments made for the purpose of maintaining a capital asset of the assessee company, or, have they created a new asset or altered or added to the original nature of the capital asset ? It does not seem to me that the payment of these fees appreciates the profits-earning capacity of the company so far as the use of these trade marks is concerned. The trade marks remain the same as those which have been in use since before February 1937. In one sense every prudent expenditure improves the asset upon which it is laid out, e.g., the repainting and current repairs to business premises give to them at any rate temporarily some enhanced value. In my opinion neither section 20 nor section 21 of the Trade Marks Act, create an enduring benefit, because, even before the Act, the assistance of the Courts, could be sought in cases of infringement and if registration is not renewed its benefit lapses. The sections take something away from trade marks which remain unregistered rather than they add anything to those which become registered. But sections 28 to 30 both inclusive with regard to assignment and transmissibility, do in one sense, confer a new right because before the Act you could not transfer a trade mark in gross. But is a separate or altered asset brought into existence ? It is suggested that the trade mark is now assignable at a separate value apart from the business of its goodwill. The reasons for the change in the law is suggested in Bray and Underhay, book on the English Trade Marks Act of 1938, to be as follows :—

“ The changes introduced by this section are far-reaching. The theory upon which the law of trade marks has been evolved hitherto has been that the public regarded a trade mark as indicating that the goods bearing the mark emanated from a particular business exclusively, and that, if the link between the mark and the business was broken, it would be contrary to public policy to recognise the continuance of any exclusive right to the mark. See, generally, Kerly, p. 401, *et. seq.* The question as to how far a business might be split up and a part assigned as a separate business has never been settled in respect of unregistered trade marks.”

And a little further on :

“ Reasons for introducing changes in the law are given in the Report, p. 26, *et. seq.* In effect, a position had been reached, owing largely to the growth of limited companies and the practice of operating through subsidiaries, in which the old rules had become artificial. The entire control of a business might be changed by a transfer of shares without any assignment of the trade mark, whilst, on the other hand, the transfer of a part of a business to a subsidiary company might involve no real change in control and yet require an assignment of the trade mark which could not be legally effected.”

In my opinion the registration fees paid, were not paid for the purpose of acquiring a right of transmissibility which did not previously exist, the enhanced status of a registered trade mark is only incidental to the registration of an existing asset. But even if it could be regarded as a new right, it is not enduring since in order to keep it up, periodic payments are necessary.

This case may fall near the dividing line, but in my judgment it falls on the revenue side of it and accordingly in my opinion the first question should be answered in the affirmative.

As to question No. 2 there is no evidence that the trade marks are used in any way except for the purposes of the assessee company's business, and admittedly the expenditure was incurred wholly and exclusively for the purpose of registering these marks and in my opinion the second question must also be answered in the affirmative.

The Commissioner should pay the costs.

#### JUDGMENT OF JUSTICE CHAGLA.

The question whether a certain expenditure is a capital expenditure or a revenue expenditure usually presents considerable difficulty. The legal touchstone which is almost invariably applied is the familiar dictum of Viscount Cave in the *Atherton's* case, 10 Tax Cases 155 at page 192 :

" But when an expenditure is made, not only once and for all, but with a view to bringing into existence an asset or an advantage for the enduring benefit of a trade, I think that there is very good reason (in the absence of special circumstances leading to an opposite conclusion) for treating such an expenditure as properly attributable not to revenue but to capital."

Lord Justice Romer felt that this definition has placed the matter beyond all controversy—see his remarks in the *Anglo-Persian Oil Company's* case, 16 Tax Cases 253 at page 273. But Lord Macmillan in (1935), 3 Income Tax Reports, Part II, page 17 at page 23 (*Van Den Berghs'* case), felt that Lord Justice Romer had been unduly optimistic, and the learned Law Lord was of the opinion that the question whether a particular expenditure fell on one side of the line or other was a task of much refinement. But on the whole I think the definition of Viscount Cave is a good working definition; and if one were to supplement it with the definition suggested by Mr. Justice Lawrence in *Southern vs. Borax Consolidated, Ltd.*, 1942, Income Tax Reports Supplement, Volume X, page 1 at page 6, whether an expenditure had in any way altered the original character of the capital asset, we have a legal principle which can be applied to any set of given facts. But to my mind the difficulty does not so much arise in the intention of a legal principle as the application of a legal principle to a set of given facts and that is the same difficulty which we have experienced in this case. I agree with the learned Chief Justice that the line dividing capital expenditure and revenue expenditure is usually a very thin one and in the case before us it is a markedly thin one.

Now Mr. Setalvad has contended that this is a capital expenditure because the amount expended was to make the capital asset more effective and more valid. It is not disputed that a trade mark is a capital asset. It is also not disputed that in this particular case the expenditure, namely, the payment of registration fees, does not bring into existence any new asset, but the question is whether there has been brought into existence an advantage for the enduring benefit of a trade; and Mr. Setalvad says that an enduring advantage has been brought into existence on two specific grounds. The first ground is that the registered holder of a trade mark gets a proprietary right in the trade mark which he did not enjoy before. Mr. Setalvad particularly emphasizes section 21 of the Trade Marks Act (V of 1940) which confers upon the registered proprietor of a trade mark the exclusive right to the use of the trade mark. Now in England the law governing the question of trade marks was first placed on the Statute Book in 1875. Prior to that, an action for deceit lay in the Common Law Courts and in equity an action also lay for an infringement of a trade mark; and as pointed out in Kerly on Trade Marks, Sixth Edition, by 1838 the right of property in trade mark was established by a series of decisions of English Courts. And as pointed out by the learned Chief Justice in the two cases to which he has referred, the Act of 1875 brought about no change in the legal position. It was really declaratory of the law as it had already existed in England. We had then after 1875 the Act of 1905 and the Act of 1938. The question is whether in India the Trade Marks Act of 1940 has made any change in the legal rights of the owner of a trade mark. To my mind it is clear that even prior to the passing of this Act the owner of a trade mark could maintain an action for the infringement of a trade mark and that action could only be maintained on the assumption that he was the owner of the trade

mark and he had a proprietary right in the trade mark. Sub-clause (1) of section 20 of the Trade Marks Act itself assumes and implies that such a right existed in the owner of a trade mark because it says that the unregistered holder of a trade mark can maintain a suit for the infringement of a trade mark provided that the trade mark was in use before the 25th of February 1937 and an application for registration had been made and refused. Again, turning to section 54 of the Specific Relief Act which deals with cases when a perpetual injunction may be granted, the explanation to that section lays down that for the purpose of that section a trade mark is property. Therefore if a person invaded or threatened to invade the other side's right to, or enjoyment of, property, the Court under section 54 had the discretion to grant a perpetual injunction, and trade mark was as much property for the purpose of section 54 as any other kind of property.

I, therefore, agree with the learned Advocate-General that all that the Trade Marks Act has done is to facilitate the mode of proof. Instead of compelling the holder of a trade mark in every case to prove his proprietary right before he could ask the Court to grant him an injunction, the Trade Marks Act provides a procedure whereby by registering his trade mark the owner gets certain facilities in the mode of proving his title. For instance, under section 23 of the Trade Marks Act registration is to be *prima facie* evidence of the validity of the trade mark.

Mr. Setalvad has very strongly relied on a recent decision of the Court of Appeal in England in *Bismag, Ltd. vs. Amblins*, (1940) All England Law Reports, Volume 2, page 608. In that case Sir Wilfrid Greene, Master of the Rolls, held that the Act of 1938 has had the effect of bringing about a radical alteration in the law relating to registered trade marks. Now it is to be noted that what that case actually decided was that the decision of the House of Lords in the *Yeast-Vite* case (1934) 103 L.J. Ch. 106, was overruled by the Act of 1938. In the *Yeast-Vite* case the plaintiffs were the registered proprietors of the trade mark "Yeast-Vite," and they claimed that the defendants' use of that word in the way described amounted to an infringement. The House of Lords rejected that claim on the ground that the defendant's use of the mark was not for the purpose of indicating the origin of his goods and, therefore, did not infringe the right conferred upon the plaintiffs as registered proprietors of the trade mark under the statutes then in force. It should also be noted that section 39 of the Act of 1905 conferred upon the proprietor of a registered trade mark the exclusive right to the use of such trade mark upon or in connection with the goods in respect of which it was registered; and Sir Wilfrid Greene came to the conclusion that looking to the language of section 4 of the Act of 1938, a radical alteration had been brought about in the law relating to registered trade marks and the proprietor of a registered trade mark had acquired certain additional rights. Now our Act of 1940, as is apparent, is subsequent to the English Act of 1938, and Mr. Setalvad contends that this decision of the Court of Appeal applies to our Statute and sections 21 and 22 of that Statute. Now one or two important facts have to be remembered. Section 4 of the English Act of 1938 is not in terms identical with section 21 with which we are concerned and section 22 of our Act. I should also like to point out that in the Court of Appeal Lord Justice Mackinnon expressed dissent and a very emphatic dissent. That learned Judge pointed out that although he had read section 4 of the English Act several times, he had very little notion of what that section was intended to convey. The learned Judge further stated that he doubted if the entire statute book could be successfully searched for a sentence of equal length which was of more fuliginous obscurity. The sentence he was referring to was the sentence of 253 words which constituted sub-section (1) of section 4 of the English Act of 1938. He also considered the section a masterpiece of obscurity and he described the language as one of dark and tortuous prolixity. I am sure that our section 21 does not possess all the high attributes which Lord Justice MacKinnon ascribed to sub-section (1) of section 4 of the English Act of 1938.

The next benefit upon which Mr. Setalvad has relied is the quality of assignability which is now attached to a trade mark under section 28 of the Trade Marks Act of 1940. It is perfectly true that before this section was enacted a trade mark could only be assigned along with the goodwill; it could not be assigned in gross. I frankly confess that this particular point has caused me some amount of difficulty. But it has got to be borne in mind that the main purpose of a trade mark is the connection it has with the goods on which it is placed. A trade mark exists in order to distinguish the goods, to give the goods a certain reputation

and to make them known in the market; and the assignability of a trade mark is in my opinion not a substantial advantage which is conferred upon that particular asset. But the greater difficulty in the way of Mr. Setalvad is whether either of these advantages, if they are advantages within the meaning of the definition of Viscount Cave, are of an enduring nature. Before an advantage can be considered to fall within the definition to which I have just referred, it must have a degree of permanence. What that degree should be is a matter which must depend upon the facts of each case. But a mere advantage without it being at the same time an enduring advantage would not be the advantage to which Viscount Cave refers as making the expenditure for bringing it into existence a capital expenditure.

Now in this case all that the payment of the registration fee involves is that for a period of seven years the proprietor of the registered trade mark obtains in the first instance certain procedural rights to which I have referred and, secondly, his fixed asset in the trade mark becomes assignable. But these advantages only last for a period of seven years and at the end of that period both the advantages lapse unless he pays a fresh fee for a period of fifteen years. In my opinion this does not constitute the advantage received by the proprietor of a trade mark an enduring advantage.

Mr. Setalvad has referred to a decision in *Kneeshaw vs. Abertolli* (1941), 9 Income Tax Reports (Supplement), page 121. The facts in that case were that the respondent was granted a licence by justices to sell intoxicating liquor and the monopoly value of the licence had been fixed at £75, and the respondent was ordered to pay that amount by three annual instalments. Mr. Justice Lawrence held that each one of the instalments was an expenditure in the nature of a capital expenditure. Now the distinction between that case and the case before us is indeed very striking. In the case before Mr. Justice Lawrence the respondent obtained the monopoly permanently by paying a fixed amount although that fixed amount was payable by three annual instalments. In the case before us by a payment of the registration fee the assessee does not obtain such rights as are conferred by that registration permanently. It is for a specified definite period—the period of seven years.

In my opinion, therefore, the advantage which has come into existence, assuming such an advantage has come into existence, is certainly not of an enduring nature.

The second question referred to us is whether if this expenditure was revenue expenditure, it was incurred wholly and exclusively for the purposes of the assessee company's business. Mr. Setalvad has relied on the test laid down by the Privy Council in *Tata Hydro-Electric Agencies Ltd. vs. Commissioner of Income Tax, Bombay* (1937), 5 Income Tax Reports, page 202, at page 209. The test that their Lordships laid down was that the expenditure, in order to come within the meaning of section 10 (2) (xii) of the Income Tax Act, should be for the purpose of producing profits in the conduct of the business. Their Lordships also cited with approval the dictum of Lord President Clyde in the case of *Robert Addie and Sons' Collieries Ltd. vs. Commissioners of Inland Revenue* (1924), 8 Tax Cases, page 671 :

“ What is ‘ money wholly and exclusively laid out for the purposes of the trade ’ is a question which must be determined upon the principles of ordinary commercial trading. It is necessary accordingly to attend to the true nature of the expenditure, and to ask oneself the question : Is it a part of the company's working expenses ; is it expenditure laid out as part of the process of profit earning ? ”

Now Mr. Setalvad contends that this expenditure has been incurred for the purpose of appreciating the capital asset of the assessee company. I cannot accept that contention. In my opinion this money has been expended definitely for the purposes of producing profits in the conduct of the business and this expenditure is truly attributable to the company's working expenses. If that is so, then this expenditure was incurred wholly and exclusively for the purposes of the assessee company's business.

In the result I agree with the learned Chief Justice that the question referred to us should be answered in the manner suggested by him.

#### ORDER

Upon the Reference of the Income-tax Appellate Tribunal (Bombay Bench) dated the thirtieth day of July one thousand nine hundred and forty-five arising out of their Order dated the twenty-third day of January one thousand nine hundred and forty-five having



been called on for hearing and final disposal on the twenty-eighth day of August one thousand nine hundred and forty-six and this day the applicant and the respondents appearing respectively by advocates and upon reading the said Reference and the said Order dated the twenty-third day of January one thousand nine hundred and forty-five and upon hearing the said advocates this Court doth answer the first question referred to in the said Reference in the affirmative and doth declare that the expense of Rupees sixteen thousand seven hundred and seven incurred by the respondents in the material year of account in respect of application fees for the initial registration of its "Old" trade marks, i.e., trade marks which had been continuously in use since before twenty-fifth day of February one thousand nine hundred and thirty-seven was rightly held to be expenditure attributable to revenue and this Court doth also further answer the second question referred to in the said Reference in the affirmative and doth lastly declare that the said revenue expenditure of Rupees sixteen thousand seven hundred and seven was incurred wholly and exclusively for the purposes of the respondent's business and this Court doth order that the applicant do pay to the respondents their costs of the said Reference and of this Order when taxed and noted in the margin hereof. Witness Sir Leonard Stone, Knight, Chief Justice at Bombay aforesaid this second day of September one thousand nine hundred and forty-six.

#### APPENDIX 14.

##### HOLIDAYS WITH PAY—FACTORIES (AMENDMENT) ACT, 1946.

*Copy of circular dated 17th June 1946, issued by the Employers' Federation of India, Bombay, to all members of the Federation.*

On the 10th of June, the Federation received from the Government of India, Department of Labour, a copy of their letter dated the 4th June addressed to all Provincial Governments, wherein the Central Government had given a new interpretation of section 49B(1) of the Factories Act. According to this ruling, a worker will be entitled to holidays with pay during the year 1946 in respect of the continuous service rendered by him before the 1st of January, 1946. Government have also stated that the latest interpretation would supersede their previous ruling which was to the effect that holidays with pay would fall due, for the first time, only during the year 1947.

The Federation is of the opinion that the original interpretation given by Government is the correct one, and that their latest ruling would, in its application, lead to many complications. The Federation has, therefore, addressed a representation to Government in the matter. I enclose, for the information of members, copies of the correspondence.

If there are any other criticisms to offer in this connection, will members kindly let me know?

Copy of letter No. L-4035, dated 4th June 1946, from the Assistant Secretary to the Government of India, Department of Labour, to all Provincial Governments and Chief Commissioners:—

"I am directed to say that a doubt has been raised as to whether the continuous service of a worker preceding the date of commencement of Chapter IV-A, viz., 1st January, 1946, should be included or not in the computation of the period of 12 months' continuous service referred to in sub-section (1) of section 49B of the Act. The Government of India have been advised that that sub-section prospectively provides that a worker who has completed a period of 12 months' continuous service shall be allowed the relevant holidays during the subsequent period of 12 months in the following manner:—

- (a) In the case of a worker whose service commenced before, but less than 12 months before the 1st January 1946, from the date on which he completes 12 months' continuous service, and
- (b) In the case of a worker whose service commenced 12 months or more before the 1st January 1946, from the 1st January 1946.

In other words, if on 1st January 1946, a worker has completed a period of 12 months' continuous service in a factory, section 49B requires that he shall be allowed the prescribed number of holidays during the twelve months comprising the year 1946. If the worker completes the period of 12 months' service in a factory on a date subsequent to 1st January 1946, he will be entitled to the holidays in a period of 12 months' following the date on which he completes the 12 months' continuous service. I am to request that this interpretation may kindly be brought to the notice of all concerned."

*Copy of representation dated 12th June 1946 from the Federation to the Government of India, Department of Labour.*

"I am directed to acknowledge the receipt of a copy of your letter No. L-4035, dated the 4th June 1946, wherein you have given a new interpretation of section 49B(1) of the Factories (Amendment) Act of 1945.

2. My Federation is surprised to find that the Government of India have now given a ruling which is entirely at variance with that given by them several months ago. No valid reason has, however, been given as to why Government decided to alter their original interpretation.

3. It will be recalled that, while discussing the draft rules under the Factories (Amendment) Act of 1945 at the Seventh Meeting of the Standing Labour Committee in August 1945, the representative of this Federation, Sir Robert Menzies, raised a question with regard to the precise date from which the computation of "continuous service" for the purpose of Act III of 1945 would begin. The spokesman of the Government of India then replied that continuous service for the purposes of the Act, would be computed from the 1st of January 1946, i.e., the date on which the Act was to come into effect, and that the first period of leave with pay would fall due on and after the 1st of January 1947.

4. Again, in December 1945, my Federation addressed a communication to your Department asking for a written clarification of the position with regard to the grant of holidays with pay under the Act. The reply that was received from Government towards the end of January, 1946, was to the effect "that the annual holidays provided in Act III of 1945 will be due only at the end of the year 1946."

5. While it is not proposed to deal, in this representation, with the legal merits of the latest interpretation of Government, my Federation would like to point out that the rules under the Act were framed by the different Provincial Governments in January, 1946, and the various registers, forms, and the holiday books for individual workers prescribed by those rules are being maintained only in respect of the current calendar year. It is needless to state that similar registers were not in existence in most of the industrial establishments prior to 1st January, 1946. Such service records as might have been maintained in the past by industrial concerns would, in most cases, not contain the necessary details required for the purpose of determining the holidays with pay, particularly in respect of interruptions in service. It is submitted that the absence of specific records, which are essential for the purpose of the statute in question, is likely to lead to endless controversies between the employer and the worker, inasmuch as the latter is likely to view with suspicion any data which his employer might find it possible to compile from such records as may be available with him in respect of the year 1945.

6. This representation does not seek to deprive the working classes of what is rightly their due. Its object is to protest against the extension of the privilege granted to them under the Act by means of an interpretation which, if given effect to, would create serious practical difficulties and aggravate the industrial unrest in the country. My Federation would, therefore, urge upon the Government of India to stand by their earlier ruling, which, it is submitted, is the fair and correct interpretation of the enactment in question.

7. I am directed to take this opportunity of pointing out that changes in interpretation of this nature are of no small consequence to the interests concerned and that, if at any time Government consider it absolutely necessary to give a new interpretation to any of the statutory provisions, they should do so after previously consulting all-India organisations,

such as this Federation. It is unfortunate that in this particular case, Government have thought fit to reverse a ruling given by them at a Tripartite Meeting without even affording an opportunity to representative organisations of employers to put forward their point of view."

*Copy of letter No. 148, dated 27th June 1946, from the Association to the Employers' Federation of India, Bombay.*

**Re. HOLIDAYS WITH PAY UNDER THE FACTORIES ACT.**

I am directed to acknowledge the receipt of your letter dated the 17th June 1946, on the above subject, and to state that this Association is in complete agreement with the views expressed therein. As you are aware, the grant of holidays are subject to certain conditions laid down in the Act, the most important of which is that the worker concerned should have completed a period of 12 months' continuous service. It will be appreciated that, in order to ascertain whether these conditions are fulfilled, it is necessary to maintain special records. As a matter of fact, in accordance with the interpretation given by Government, factories have been maintaining records as prescribed under the rules for this purpose, only for the year 1946. In the circumstances, in the absence of any record, it will not be possible for the factories to comply with the new interpretation given by the Government on sub-section (1) of section 49B.

The spokesmen of the Government of India gave a specific assurance at one of the meetings of the Standing Labour Committee to the effect that "continuous service" for the purposes of the Act would be computed only from the 1st January 1946, and Government subsequently confirmed this intention and informed the Federation that the annual holidays provided in the Act will be due only at the end of the year 1946. If the Act, as passed by the Assembly, differs from the original intention of Government as expressed to the representatives of the Employers, then, my Committee submit that, it is up to Government to amend the Act, and not superimpose a new interpretation on the provisions of the Act. My Committee, therefore, sincerely trust that you would impress upon Government that the proper course in these circumstances is for Government to take steps to amend the Act if necessary and not dislocate the working of the Act by laying down a new interpretation which it is not possible, in actual practice, to comply with.

*Copy of circular, dated 3rd July 1946, issued by the Employers' Federation of India, Bombay, to all members of the Federation.*

With my circular dated the 17th June, I forwarded to members copies of the letter received from the Government of India and of the representation made by this Federation in connection with the actual date from which the privilege of holidays with pay under the Factories Amendment Act of 1946 would accrue.

The Federation has now received a reply from Government, a copy of which is enclosed for the information of members. It will be seen from it that Government have been advised by their legal advisers that the original interpretation given by Government is incorrect and that the privilege conferred by the Act would accrue as and from 1st January, 1946, the date on which the statute came into force. While the practical difficulties involved in giving effect to the new interpretation are appreciated by Government, their position is that they are bound to act in accordance with the legal advice tendered to them.

In the circumstances, the President is of the opinion that members should, in consultation with the Provincial authorities, comply with the suggestion made by the Government of India in their letter No. L-4035 dated the 4th June, 1946, viz.:

- (1) If, on 1st January 1946, a worker has completed a period of 12 months' continuous service, he shall be allowed the prescribed number of holidays during the calendar year 1946.
- (2) If a worker completes a period of 12 months' service on a date subsequent to 1st January 1946, he shall be allowed the prescribed number of holidays in a period of 12 months following the date on which he becomes eligible.

*Copy of letter No. L-4035, dated 28th June 1946, from the Deputy Secretary to the Government of India, Department of Labour, to the Employers' Federation of India.*

*Subject :—INTERPRETATION OF SECTION 49B (1) OF THE FACTORIES (AMENDMENT) ACT, 1945.*

I am directed to acknowledge your letter dated the 12th June 1946, on the subject noted above.

2. The interpretation communicated in Mr. Sahni's Letter No. L-4035, dated the 4th June, was based upon the advice given to Government by their legal advisers. I am to express regret that due to an oversight, an impression was given both at the 7th meeting of the Standing Labour Committee in August 1945 and in certain formal communications to your Federation as well as to others that the right to holidays under the Factories Amendment Act of 1945 would accrue only after 12 months' continuous service from 1st January 1946. It will be appreciated that the Government of India cannot, and indeed no executive authority can, either by a ruling or interpretation, or by the exercise of rule-making authority enlarge or abridge the scope of any rights or privileges conferred by an Act of the Legislature. The correct interpretation of Legislative enactments is the function of the Law Courts.

3. It is true that the registers, forms and holiday books prescribed by the rules made under the Act will be maintained only from 1st January 1946 and that in the absence of proper records, it may be difficult in some cases to establish clearly whether a worker is entitled to holidays in respect of continuous service rendered by him prior to 1st January 1946. I am to express the hope that such cases will be few and no serious difficulty will arise in resolving any differences of opinion that may arise. As already pointed out, it is not open to the Government of India to take away any right expressly conferred by an Act of the Legislature.

*Copy of letter No. 148, dated 15th August 1946, from the Association to the Secretary to the Government of India, Department of Labour, New Delhi.*

*Subject :—INTERPRETATION OF SECTION 49B (1) OF THE FACTORIES (AMENDMENT) ACT, 1945.*

I am directed to refer to a communication No. L-4035, dated 4th June 1946, addressed by you to all Provincial Governments on the above subject, a copy of which has been forwarded to this Association by the Chief Inspector of Factories, Bombay Province. The Committee of the Association desire to submit that the interpretation now sought to be placed by Government on section 49B (1) of the Factories (Amendment) Act is in direct contravention of the original intentions of Government. In this connection it will be remembered that at the seventh meeting of the Standing Labour Committee, when the draft rules under the Act were discussed a specific request was made by Sir Robert Menzies, one of the representatives of employers, that it should be made clear in the rules that the right to holidays would accrue only after 1st January 1947; but the Government spokesman assured him, then, that it was unnecessary to do so as the Act itself was clear on the point. This position was again confirmed by Government in a communication addressed to the Employers' Federation of India on 24th January 1946.

My Committee are convinced that it is not possible to comply with the new interpretation. As Government are aware, the grant of holidays are subject to certain conditions laid down in the Act, the most important of which is that the worker concerned should have completed a period of twelve months' continuous service. It will be appreciated that in order to ascertain whether these conditions have been fulfilled by individual workers, special records have to be maintained, and in accordance with the interpretation previously given by Government, factories have been maintaining such records only from 1st January 1946. It need hardly be pointed out that in the absence of any record for the period prior to 1st January 1946, it will not be possible to ascertain whether individual workers are eligible to the holidays on the basis of their service prior to 1st January 1946. The interpretation now given to the section by Government is calculated to lead to serious misunderstandings between

employers and workers. If Government were advised that the Act, as passed, was unfortunately at variance with their original intentions, the most logical thing to do would have been to place the whole position before the Standing Labour Committee, and in consultation with them introduce legislation to amend the Act, in order to set matters right.

It is extremely unfortunate that Government have interpreted a statute when the best course would have been to leave that over, according to past precedents, to a Court of Law. My Committee have given dispassionate consideration to all the issues arising from Government's decision, but in view of the fact that it would be physically impossible for the mills to give effect to the legislation from a date prior to 1st January 1947, they request Government to withdraw their circular of 4th June 1946.

*Copy of letter No. L-4035, dated 30th August 1946, from the Assistant Secretary to the Government of India, Department of Labour New Delhi, to the Association.*

**Subject :—INTERPRETATION OF SECTION 49B (1) OF THE FACTORIES (AMENDMENT) ACT, 1945.**

I am directed to acknowledge the receipt of your letter No. 148, dated 15-8-1946 on the subject noted above.

2. The interpretation contained in this Department letter No. L-4035, dated 4-6-1946, was based upon the advice given to Government by their legal advisers. It is regretted that due to an oversight, an impression was given both at the seventh meeting of the Standing Labour Committee in August 1945 and in certain formal communications to some Federations and other concerns that the right to holidays under the Factories (Amendment) Act of 1945 would accrue only after 12 months' continuous service from 1st January 1946. It will be appreciated that the Government of India cannot, and indeed no executive authority can, either by a ruling or interpretation, or by the exercise of rule-making authority enlarge or abridge the scope of any rights or privileges conferred by an Act of Legislature.

3. The correct interpretation of legislative enactments is, no doubt, the function of Law Courts and there is no intention to have the law interpreted by any executive authority.

4. The Government of India realise that in the absence of proper records, it may be difficult in some cases to establish clearly whether a worker is entitled to holidays in respect of continuous service rendered by him prior to 1st January 1946. I am however to express the hope that such cases will be few and no serious difficulty will arise in resolving any differences of opinion that may arise. As already pointed out, it is not open to the Government of India to take away any right expressly conferred by an Act of the Legislature.

*Copy of circular No. 148, dated 30th December 1946, issued to all members of the Association.*

I am directed to inform you that at the urgent General Meeting of the members of the Association held at 3 p.m. (S.T.) to-day, the 30th December 1946, the following resolution was adopted :

"That the drafts of the poster and endorsement to leave pass prepared by the Committee in consultation with the Association's Counsel and solicitors be and are hereby approved and adopted."

Copies of the poster and endorsement to leave pass referred to in the resolution are ready for distribution to members and I shall be glad if you will kindly arrange to send a representative to take your quota of copies. It is requested that when copies of these posters are received, they should be signed by the Manager, inserting the name of the mill and put up in prominent places in all the departments before Wednesday evening, the 1st January 1947.

*Copy of circular No. 148, dated 31st December 1946, issued to all members of the Association.*

I have pleasure in handing you herewith a good supply of posters printed in English and Marathi, which, in the case of mills situated within the City and Island of Bombay including Thana, should be signed by the Mill Manager, and with the name of the mill concerned should be put up on the 1st of January 1947, in appropriate places in the mill premises.

I am also handing you herewith a few copies of an endorsement which, it is suggested, might be prepared by the mills and tagged on to the counterfoil of the leave pass whenever leave under the Holidays with Pay is granted to an operative in accordance with the terms of the posters, in respect of services rendered in the years 1945 and 1946. The "endorsement" is self-explanatory, but if there are any doubts on which individual mills would like to have additional explanation, a reference may please be made to me.

In the case of member mills situated up-country, the posters and endorsement are forwarded for consideration with the recommendations that they be adopted with appropriate verbal changes, if any, to suit individual conditions.

*Copy of poster referred to in the above circular.*

**Notice.**

**HOLIDAYS WITH PAY.**

Under the Factories (Amendment) Act, 1945, workers are entitled to a certain number of holidays with pay, subject to certain conditions which are reproduced below for information :—

49B. (1) Every worker who has completed a period of twelve months' continuous service in a factory shall be allowed, during the subsequent period of twelve months, holidays for a period of ten or, if a child, fourteen consecutive days, inclusive of the day or days, if any, on which he is entitled to a holiday under sub-section (1) of section 35.

(2) If a worker fails in any one such period of twelve months to take the whole of the holidays allowed to him under sub-section (1), any holidays not taken by him shall be added to the holidays to be allowed to him under sub-section (1) in the succeeding period of twelve months, so however, that the total number of days' holidays which may be carried forward to a succeeding period shall not exceed ten, or, in the case of a child, fourteen.

(3) If a worker entitled to holidays under sub-section (1) is discharged by his employer before he has been allowed the holidays, or if, having applied for and having been refused the holidays, he quits his employment before he has been allowed the holidays, the employer shall pay him the amount payable under section 49C in respect of the holidays.

*Explanation :—*A worker shall be deemed to have completed a period of twelve months' continuous service in a factory notwithstanding any interruption in service during those twelve months brought about by sickness, accident or authorised leave not exceeding ninety days in the aggregate for all three, or by a lockout, or by a strike which is not an illegal strike, or by intermittent periods of involuntary unemployment not exceeding thirty days in the aggregate; and authorised leave shall be deemed not to include any weekly holiday allowed under section 35 which occurs at the beginning or end of an interruption brought about by the leave.

49C. Without prejudice to the conditions governing the day or days, if any, on which the worker is entitled to a holiday under sub-section (1) of section 35, the worker shall, for the remaining days of the holidays allowed to him under section 49B, be paid at a rate equivalent to the daily average of his wages as defined in the Payment of Wages Act, 1936 (IV of 1936), for the days on which he actually worked during the preceding three months, exclusive of any earnings in respect of overtime.

49D. A worker who has been allowed holidays under section 49B shall, before his holidays begin, be paid half the total pay due for the period of holidays.

As a matter of grace and bearing in mind the fact that workers might have been ignorant of the provisions of the Act, unauthorised absence, which under the Act would normally result in break of service, and negative a worker's claim to holidays with pay, has been condoned up to the end of December 1946, so long as the aggregate of such unauthorised absence does not exceed 24 days in each of the completed years 1945 and 1946. The attention of the workers is drawn to the above provisions of the Act, and they are requested, in their own interest, not to do anything which would disqualify them from claiming the benefit of Holidays with Pay.

BOMBAY, 1st January 1947.

Manager,

MILL.

Counsel has advised the Association that, while granting holidays with pay to workers in respect of years 1945 and 1946, the following proviso should be printed on the counterfoil of the Leave Pass and workers' signatures or thumb impressions should be obtained before granting them holidays in order to avoid a claim for condonation of unauthorised absence on the ground of usage being made in future.

*Copy of endorsement to be tagged on to Leave Pass*

You have been absent for . . . . . days in the period . . . . . to . . . . . without leave or authority. This constitutes unauthorised absence, and you would not be entitled to holidays with pay under section 49B of the Factories (Amendment) Act, 1945. As a matter of favour and by way of grace, however, the management has condoned the above unauthorised absence, and granted to you holidays with pay for . . . . . days.

The above has been read over and explained to me by . . . . . (Name)

(Designation)

.....  
Signature or thumb impression of worker.

## APPENDIX 15.

### THE FACTORIES (AMENDMENT) ACT, 1946.

#### 48-HOUR WEEK.

ACT No. X OF 1946.

#### *An Act further to amend the Factories Act, 1934.*

Whereas it is expedient further to amend the Factories Act, 1934 (XXV of 1934), for the purposes hereinafter appearing ;

It is hereby enacted as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Factories (Amendment) Act, 1946.

(2) It shall come into force on the first day of August 1946.

2. *Amendment of section 34, Act XXV of 1934.*—In section 34 of the Factories Act, 1934 (hereinafter referred to as the said Act), for the words " fifty-four " and " sixty " the words " forty-eight " and " fifty " shall be respectively substituted.

3. *Amendment of section 36, Act XXV of 1934.*—In section 36 of the said Act, for the words “ten” and “eleven” the words “nine” and “ten” shall be respectively substituted.

4. *Amendment of section 38, Act XXV of 1934.*—In section 38 of the said Act for the word “thirteen” the words “ten and a half hours, or where the factory is a seasonal one, eleven and a half” shall be substituted.

5. *Amendment of section 44, Act XXV of 1934.*—For sub-section (4) of section 44 of the said Act, the following sub-section shall be substituted, namely :—

“(4) An order under sub-section (2) shall remain in force for such period, not exceeding two months from the date on which notice thereof is given to the manager of the factory, as may be specified in the Order :

Provided that if in the opinion of the Provincial Government the public interest so requires, the Provincial Government may from time to time, by notification in the official *Gazette*, extend the operation of any such order for such period, not exceeding six months at any one time, as may be specified in the notification.”

6. *Amendment of section 45, Act XXV of 1934.*—In the first proviso to sub-section (1) of section 45 of the said Act, for the words “thirteen hours” the words “ten and a half hours, or where the factory is a seasonal one, of eleven and a half hours,” shall be substituted.

7. *Amendment of section 47, Act XXV of 1934.*—In section 47 of the said Act, for sub-sections (1) and (2) the following sub-section shall be substituted, namely :—

“(1) where a worker—

- (a) in a non-seasonal factory works for more than nine hours in any day or for more than forty-eight hours in any week, or
- (b) in a seasonal factory works for more than nine hours in any day or for more than fifty hours in any week—

he shall be entitled in respect of the overtime worked to pay at the rate of twice his ordinary rate of pay.”

*Copy of circular No. 413, dated 5th July 1946, to all members of the Association.*

I reproduce below for the information of members the resolutions passed at the urgent general meeting of the members of the Association, held on 5th July 1946, at 12-00 noon :—

1. “Bearing in mind the reduction in hours of work, which will come into force on 1st August 1946, the following adjustments shall be made with effect from 1st August 1946, in the basic rates of wages applicable to all piecework occupations in cotton mills situated in the City and Island of Bombay, which are members of the Millowners’ Association, Bombay :—

- (a) In cases where the working week is reduced from 54 to 48 hours, the basic piecework rates shall be raised by 12½ per cent.
- (b) In cases where it is desired to reduce the length of the working week from 54 to less than 48 hours per week, the basic piecework rates of the occupations concerned shall be so adjusted, that the basic wages earned (exclusive of interim and dearness allowance) during the shorter week shall be no less than the basic wages, which were normally being earned when the 54-hour week was in force.
- (c) In cases where no reduction in working week takes place, i.e., cases where the length of the working week does not already exceed 48, and where no further reduction in hours is made, the basic piecework rates shall continue to be the same as they are at present.

2. No adjustments be made in basic rates of time-work occupations,



3. Interim increases granted by mills as per the recommendation of the Association, following the first report of the Bombay Textile Labour Inquiry Committee will continue to be calculated and paid as at present.

4. No adjustments shall be made in dearness allowance except those necessitated by fluctuations in the Bombay Working Class Cost of Living Index Numbers.

A separate circular\* will be sent to you in due course indicating the manner in which earnings of piece-workers are to be calculated from 1st August 1946.

## APPENDIX 16.

### HOURS OF WORK IN COTTON MILLS.

#### EFFECT ON THE INDUSTRY OF THE 48-HOUR WEEK.

*Copy of letter No. CDN-19(1), dated 10th December 1946, from the Textile Commissioner, Department of Industries and Supplies, to all Millowners' Associations.*

As you are aware, the 48-hour week has been in force in the cotton textile industry since the 1st August 1946. It is now felt necessary to have an appreciation of the position in the light of the experience gained in this regard. This office will be grateful if you would kindly communicate at an early date as to what, in general, have been the main effects on the industry of the 48-hour week, and, in particular, on

- (a) the output of cloth and yarn ;
- (b) the cost of production of cloth and yarn ; and
- (c) the efficiency of labour.

Further, it may please be stated whether labour is willing to work for an additional daily hour on the payment of overtime rates.

*Copy of letter No. 413, dated 31st January 1947, from the Association to the Textile Commissioner, Bombay.*

I am directed to acknowledge the receipt of your letter No. CDN-19(1) dated the 10th December 1946 regarding the effect on the industry of the 48-hour week.

The Association has since had an opportunity of consulting individual members in this matter, and I set forth below, as briefly as possible, the points of view expressed by them.

Almost all members emphasise the point that though working hours were reduced from 1st August 1946, normal working, which is so very essential to arrive at correct conclusion in this regard, has not been possible. In this connection, as you are aware, since the beginning of September 1946, there has been serious dislocation of work in the Bombay cotton mill industry and normality has not yet been attained. The situation is generally no better in other centres, where work continues to be dislocated through strikes, *hartals* and the like. If, however, it were permissible to draw an inference from the views expressed by those few mills, which were less affected by the unsettled conditions, then, it may be stated in answer to your question (a) that the reduction in hours of work has been followed by a diminution of output of both cloth and yarn. As regards the extent of the reduction, there is a certain amount of divergence of opinion, the percentage reduction varying from a little over 11 and extending up to 15. This much variation is understandable as a lot depends upon the character and volume of production of individual mills, let alone the other working conditions, which have a direct bearing on production, but one important factor, which emerges in this connection, and which must be carefully noted, is that the *minimum* loss in production sustained by the industry is no less than its production for one hour.

It is not necessary for me to give any detailed answers to your questions (b) and (c). It is, however, necessary for me to state that members of this Association are to-day paying for the 8-hour day the wages they were paying for the 9-hour day. Though production has gone down, the level of wage costs remains the same, which means that the labour cost per unit of production has proportionately increased. The same is the position in connection with overhead expenses; and on the whole, cost of production has increased with the reduction in hours of work.

Dealing with the question of efficiency, though it was expected that the reduction in hours of work would be followed by increased efficiency and more conscientious application to work on the part of workers, nothing has happened except that the worker unfortunately continues to leave his machine unattended to the extent he was doing before the hours of work were reduced.

In this connection, it has to be pointed out that in certain occupations where production is governed more by the machine and less by the worker attending to it, it is not possible to make up completely, or even to an appreciable extent, the loss in production following from the reduction in working hours.

Turning to the last paragraph of your communication, it transpires from the replies sent in by the mills that workers are generally unwilling to work overtime even in those very rare cases where they are asked to work overtime in the interest of maintaining productive balance between the various departments.

## APPENDIX 17.

### FACTORIES (AMENDMENT) ACT, 1946.

#### PROVISION OF CANTEENS IN MILLS.

*Copy of letter No. 199-A, dated 27th December 1946, from the Association to the Secretary, to the Government of India, Department of Labour, New Delhi.*

The Committee of the Association desire to draw attention to Bill No. 41 of 1946 to amend the Factories Act, 1946, introduced in the Legislative Assembly on 28th October 1946 by the Hon'ble Mr. Jagjivan Ram.

When the question of introducing legislation to provide for canteens in industrial establishments was discussed at a recent Labour Conference, Government seemed to appreciate the following practical difficulties inherent in a proposal of this character, which were brought out by the employers' representatives :

- (a) Lack of building space in mill premises. In several mills there is absolutely no space for putting up any structure whatsoever.
- (b) Caste and communal prejudices obtaining among workers.
- (c) The cosmopolitan composition of the labour force in mills and the difficulty of evolving a standard menu suitable to all tastes; and
- (d) The canteen idea not fitting in with the social life of the worker.

It is not necessary for my Committee to elaborate the above points except perhaps to point out :

(a) Even in mills which have canteens at present, the experience of the management has not been very happy. It was only very recently that, under pressure from the local authorities, one of our members in Sholapur opened a canteen at considerable capital expense, but the establishment had to be wound-up as the workers were found unwilling to take advantage of the facilities. This may perhaps be, to some extent, due to the workers of one community or caste unwilling to take their food in a common room with workers belonging

to other castes or communities, but it was reported to the management that a midday meal at the mills was embarrassing to several workers, private boarding houses in the town refusing, it was stated, to undertake to provide their night meal only : and

(b) Establishments like cotton mills employing between 2,000 and 10,000 workers per day would, if they were compelled to provide even one cooked meal per worker per day, have to maintain an army of cooks, service boys, supervisors, purchasing and accounting staff, which are calculated to be embarrassing to a large number of mills, not only from the point of view of the amount of supervision required, but also from the point of view of the difficulties which are being experienced in procuring foodstuffs including vegetables. It should also be appreciated that a proper check on the quality of the materials purchased, and/or prices paid, also involves a very considerable amount of supervision to ensure that mills get the quality and quantity of goods paid for. This is particularly so in purchasing materials for cooked meals as, in buying a majority of the materials, for example, vegetables, etc., there can be no question of getting any invoices or receipts.

My Committee agree that facilities for refreshments should be available for workers in industrial establishments, but they submit that the need should be met by the workers themselves forming into co-operative units and running such institutions themselves. Where, however, such co-operative institutions are not forthcoming, there should be no compulsion whatsoever on the management to provide canteens, and voluntary efforts by employers should be encouraged. If the employer is to be compelled to open canteens, then, the question of participation of workers in the management should not arise, and the employer should be given the discretion as to whether, and, if so, to what extent workers' co-operation on the management should be taken. While the employers may be expected to be ready and willing to consider helpful, constructive and reasonable suggestions from workers for the improvement of the usefulness of canteens wherever they are in existence, statutory association of workers in the management of the canteen is not calculated to produce useful results. Things may perhaps improve with the spread of education and sense of responsibility among the workers, but until that stage is reached, the wide powers sought to be given in the Bill to Provincial Governments should not be utilised.

In conclusion, my Committee's objections to the provisions of the Bill are of a two-fold character :—

First, to the principle underlying compulsion in the establishment of canteens ; and

Second, to the compulsory association of workers in the management of canteens.

The question of canteens for supplying cooked meals to workers should only be opened or considered if a majority of the workers expressed a desire to have canteens.

#### ACT NO. V OF 1947.

#### *An Act further to amend the Factories Act, 1934.*

Whereas it is expedient further to amend the Factories Act, for the purposes hereinafter appearing :

It is hereby enacted as follows :—

1. This Act may be called the Factories (Amendment) Act, 1947.
2. In Chapter III of the Factories Act, 1934 (hereinafter referred to as the said Act) after section 33 the following section shall be inserted, namely :—

33A. (1) The Provincial Government may make rules requiring that in any specified factory wherein more than two hundred and fifty workers are ordinarily employed, an adequate canteen shall be provided for the use of the workers.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the date by which such canteen shall be provided ;
- (b) the standards in respect of construction, accommodation, furniture and other equipment of the canteen ;
- (c) the foodstuffs to be served therein and the charges which may be made therefor ;
- (d) representation of the workmen in the management of the canteens ;
- (e) enabling, subject to such conditions, if any, as may be specified, the power to make rules under clause (c) to be exercised also by the Chief Inspector.

3. In the proviso to section 34 of the said Act, the word "non-seasonal" shall be omitted.

## APPENDIX 18.

### AMENDMENT OF THE TRADE DISPUTES ACT, 1929.

*Copy of circular, dated 2nd May 1946, issued by the Employers' Federation of India to all members of the Federation.*

As members are aware, the Trade Disputes Act of 1929, owing to its inherent defect, has proved to be of little use in the matter of dealing effectively with industrial disputes. During the war, a special rule, prohibiting strikes and lock-outs, without due notice, was promulgated under the Defence of India Rules. That rule (Rule 81A) will cease to have force on and after the 1st of October next. The Government of India are, therefore, anxious to have an alternative machinery containing the essential principles of Rule 81A, and this they propose to do by amending the Trade Disputes Act.

This matter was considered in broad outline at the meeting of the Standing Labour Committee held at Delhi in March last. Various suggestions were then made, and the general feeling amongst the representatives of the Employers' Group was that it would be advisable to base the Central Act on the model of the Bombay Industrial Disputes Act with such changes as were considered necessary in the light of the experience gained in the working of the latter Act. As such a course would mean comprehensive amendments to the existing Act, Government have now drafted certain proposals suggesting the barest minimum changes which they regard as absolutely necessary at the present stage.

The proposals outlined in the annexed memorandum are stated to be tentative, and the Government of India have asked for the Federation's views by the 31st of May. It will be appreciated if members will kindly submit their criticisms to this office by the 27th instant.

#### MEMORANDUM.

The only permanent central legislative enactment for conciliation in trade disputes is the Trade Disputes Act, 1929. This is not a satisfactory Act, the main defect being that while it provides for 14 days' notice in case of strikes and lock-outs in public utility undertakings and the appointment of Boards of Conciliation or Courts of Enquiry, there is no power vested in Government to enforce the award of the Court of Enquiry. For this reason, the Act was applied very seldom and is unpopular from the point of view of the workers. During the war a special rule had to be enacted for dealing with trade disputes. This is Rule 81A of the Defence of India Rules which prohibits strikes and lock-outs without 14 days' notice, empowers Government to appoint adjudicators and to bind the parties to the award of the adjudicator for a specified period. The rule has proved generally acceptable to both employers and workers. But this rule will cease to apply with effect from the 1st October this year. An alternative machinery, containing the essential principles of this rule is absolutely necessary in view of the large number of strikes that might arise in public utility and essential undertakings in the near future. The matter was discussed at the meeting of the

Standing Labour Committee held in March and the general opinion was that while comprehensive amendments may be desirable, urgency required that we should proceed with the barest minimum amendments absolutely necessary for the time being, so that some better machinery than exists in the Trade Disputes Act will be available by the time the Defence of India Rule ceases to be in force.

*Object of proposed legislation.*—To set up an effective statutory machinery for conciliation and adjudication in regard to trade disputes. On practical considerations, a distinction is to be drawn between :

- (i) (a) Public utility undertakings ;
- (b) Essential industrial undertakings and
- (ii) all other industrial undertakings.

#### PART I—STRIKES AND LOCK-OUTS IN PUBLIC UTILITY AND ESSENTIAL INDUSTRIAL UNDERTAKINGS.

1. Strikes and lock-outs will be prohibited unless 14 days' clear notice is given. They will also, subject to Note 1 to paragraph 4 below, be prohibited during the pendency of conciliation proceeding or proceedings before an Industrial Court and during the period for which the award of the Industrial Court is made binding as explained later.

2. (a) Subject to paragraph 5 below :

(i) Where notice of strike or lock-out in those undertakings is given the Conciliation Officer will be required to proceed and attempt to settle matters by conciliation. The proceedings before the Conciliation Officer should not take more than 14 days. If the attempts of the Conciliation Officer fail, the appropriate Government will be required to set up a Board of Conciliation in the manner explained later. The proceedings before the Board must be completed within 2 months, but the appropriate Government may at the request at the Board extend the period by a further period not exceeding 2 months.

(ii) Where the efforts of the Board of Conciliation have been successful and the parties are agreeable to enter into an agreement, the Government will be empowered to make the agreement binding on both parties for a specified period, not exceeding 6 months. But where the Board's efforts have been unsuccessful, it shall submit a detailed report to the appropriate Government. After considering the report the Government will decide whether a *prima facie* case, where a substantial point of principle is involved, has been made justifying reference to an Industrial Court. If the Government is satisfied that such a case has been made out a reference to the Industrial Court should be mandatory. The reference need not cover all points in dispute but only such points as the Government thinks fit for reference. In particular, Government will be empowered to refuse a reference to the Industrial Court in the following cases :—

- (a) Where the dispute relates to matters previously decided by an Industrial Court and where there has been no change in circumstances to justify a further reference.
- (b) Where the demands are clearly impracticable.
- (c) Where the appropriate Government is satisfied that the persons who gave the notice do not represent an adequate number of workers employed in the industry or undertaking.
- (iii) Where, however, both parties agree to a reference to the Industrial Court, such a reference shall be obligatory.

(b) In cases of emergency where circumstances justify, Government will be at liberty to refer a case to the Industrial Court without a prior reference to a Board of Conciliation.

3. On receipt of the award of the Industrial Court, Government may accept it and bind the parties, that is, the employer or employers, workers and union or unions of workers who were parties to the proceedings, to the award for a specified period not exceeding 6 months.

4. Strikes and lock-outs will be illegal in the circumstances provided in section 16 of the Trade Disputes Act, 1929, and also in the following cases:—

- (i) Strikes or lock-outs without 14 days' notice within one month before the strike or lock-out;
- (ii) During the pendency of the proceedings before a Conciliation Officer, a Board of Conciliation, or an Industrial Court and for a period of 14 days following the date of conclusion of the proceedings before the first two and for one month following the date of conclusion of proceedings before an Industrial Court.

(Note 1.—A legal strike started before the commencement of conciliation or Court proceedings will not be deemed illegal merely because it continues during the pendency of the proceedings.)

(Note 2.—An interval is necessary to allow time for the appropriate Government to take the next step, i.e., for appointment of a Board of Conciliation after failure of the attempts of the Conciliation Officer and so on.)

- (iii) During the period specified in the Government order binding the parties to the agreement reached during the proceedings before a Board of Conciliation.
- (iv) During the period specified in the Government Order accepting the award of the Industrial Court.

5. The procedure indicated in paragraph 2 will not be mandatory in

- (i) cases of illegal strikes or lock-outs;
- (ii) where in case of a notice by the workers, the majority of the workers in the undertaking or of a particular category of workers are not party to the notice; the Conciliation Officer being empowered to investigate this point if necessary;

But Government will have full power to follow this procedure in these cases also.

#### PART II—STRIKES AND LOCK-OUTS IN INDUSTRIAL UNDERTAKINGS OTHER THAN PUBLIC UTILITY AND ESSENTIAL INDUSTRIAL UNDERTAKINGS.

No statutory notice will be required in the case of strikes and lockouts in these undertakings but the Conciliation Officer will have the power to conciliate in these cases also. Similarly, Government also will have the power to appoint a Board of Conciliation or make a reference to an Industrial Court. Where, however, both parties agree to a reference being made to the Industrial Court, Government shall make such a reference. Where a reference is made to an Industrial Court, the provisions for binding down the parties to the award of the Court will apply in the same way as in the case of public utility and essential undertakings.

#### MACHINERY FOR CONCILIATION AND ADJUDICATION.

The machinery will consist of:

- (a) one or more *Conciliation Officers* who may be appointed in the appropriate Government for the whole or any specified area or for dealing with any specified industry or groups of industries.
- (b) A *Board of Conciliation* constituted on the lines provided in the Trade Disputes Act, 1929.

As reference to the Board should be made with the least loss of time, Government may appoint a permanent panel consisting of an equal number of representatives of employers and workers for the whole or any specified area or for any specified industry or group of industries.

(c) *Industrial Court*.—Provincial Governments shall appoint an Industrial Court consisting of one or more judges who should be judges of a High Court, retired judges of a High Court or persons eligible to be judges of the High Court (as prescribed in the Government of India Act). These courts need not be whole-time, as there may not be enough work

for such a court in smaller provinces. In disputes in the Central sphere, the Central Government may either set up an Industrial Court of their own or, on terms agreed with the Provinces concerned, refer to an Industrial Court in a Province.

(*Note.*—As Central Government undertakings are spread all over the country, a single court at one centre will be administratively inconvenient while the volume of work will not justify setting up several permanent courts.)

(*d*) *Labour Officers.*—Government may also appoint one or more Labour Officers, whose duties will be to watch the interests of workmen with a view to promoting harmonious relations between employers and workmen and to report the grievances of workmen to employers for redress. Where a Labour Officer is appointed, he will be entitled to appear in any conciliation proceedings.

#### REFERENCE OF CASES OF DISPUTES OF A SIMILAR NATURE TO THE SAME INDUSTRIAL COURT.

Where strikes or lock-outs are apprehended in different Provinces or in an undertaking of a Central as well as of a Provincial Government and the points in dispute are similar, the Central and the Provincial Government or the Provincial Governments concerned, as the case may be, will be empowered by agreement to refer all the cases to one Industrial Court. The power of binding the parties to the award of the Industrial Court will be fully applicable in respect of the award of the Industrial Court to which all the cases are referred.

*Penalties.*—Besides providing substantive penalties for illegal strikes or lock-outs, an illegal strike by workers of a union will involve withdrawal of recognition; provision for the latter has already been made in the Trade Union Amendment Bill which is likely to become law before the present Bill is introduced. Any breach (by the employers, workers or unions of workers) of the conditions imposed by Government in accepting the award of the Industrial Court, will also be an offence.

*Bar to appearance of Legal Practitioners.*—No legal practitioner will be allowed to appear in proceedings before a Conciliation Officer or a Board of Conciliation. Appearance before an Industrial Court will also be only with the permission of the Court.

(*The Appendix to this Memorandum deals with some points in further detail.*)

#### APPENDIX.

(1) "*Labour Officer*" and "*Conciliation Officer*" to be defined.—Both for the purpose of exercising their powers and performing their duties will be empowered after giving reasonable notice to enter any place used for the purpose of any industry or as the office of any trade union and to call for and inspect all relevant documents necessary for due discharge of their duties and powers. The information obtained from documents called for or inspected should be treated as "confidential."

(2) "*Boards of Conciliation.*"—The constitution and formation of the Boards may be on the same lines as in the Trade Disputes Act. There should also be provision for constituting permanent panels consisting of equal numbers of representatives of employers and workers for the whole or a specified area or for a specified industry or group of industries.

(3) "*Industrial Court.*"—The Industrial Court should be empowered to appoint not more than two assessors, one representing the employers and the other the workers in consultation with the parties to the dispute, the final decision resting with the Court. But where the representation of one party has been accepted that of the other shall also be accepted.

(4) "*Appropriate Government.*"—This will be the Central or the Provincial Government in their respective spheres as provided in the Trade Disputes Act.

(5) "*Trade Disputes.*"—The definition may follow that in the Trade Disputes Act, but should be amplified, if necessary, to establish beyond doubt that disputes in Government undertakings like the Posts and Telegraphs Department will also be treated as trade disputes. (The definition of employer and workmen may also be suitably modified if necessary to make this point clear.)

(6) "*Public Utility Undertakings.*"—The definition may be as in the Trade Disputes Act.

(7) "*Essential Industrial Undertakings.*"—These will cover undertakings notified by the appropriate Government as those in which a strike or lock-out is likely to cause a serious outbreak of disorder or a breach of the public peace or serious or prolonged hardship to a large section of the community.

*Copy of letter No. 169, dated 29th May 1946, from the Association to The Employers Federation of India, Bombay.*

I am directed to acknowledge the receipt of your letter dated the 2nd May 1946, in which you request my Committee to express an opinion on certain amendments which Government propose to introduce in the Trade Disputes Act of 1929.

My Committee feel that they are not expected to comment on the proposals referred to in Part I of the Government Memorandum which accompanied your communication, as these proposals relate to public utility concerns. Turning, however, to Part II, my Committee have the following observations to make:—

My Committee are unable to agree to the proposal that "No statutory notice will be required in the case of strikes and lockouts" for the following reasons:—

- (a) One of the objects underlying the Trade Disputes Act of 1929 is to prevent cessation of work if possible, or at least to ensure that, before a cessation of work takes place, reasonable endeavours are made to settle the dispute by direct negotiations between the parties, and/or conciliation. If past experience could be relied upon, workers would not, without legislative compulsion, be inclined to postpone cessation of work until their grievances have been placed before their employers and an opportunity has been given to the latter to set matters right. Even at present, in spite of the provisions of the Bombay Industrial Disputes Act in Bombay, and the Defence of India Rules throughout India, lightning strikes do take place, and if Government's proposals to dispense with notice of strikes were adopted, it would only make matters worse, and defeat the fundamental object underlying the Trade Disputes legislation.
- (b) Government do not seem to have taken into account the fact that lightning strikes have, in Bombay, been followed with a list of demands from labour containing matters, several of which have little or no relation to the cessation of work which has taken place. This multiplicity of grievances, if permitted, would not only render negotiations difficult, but would also make conciliation proceedings a very protracted affair, a state of affairs which, my Committee consider, should always be avoided.
- (c) A legal strike, in effect, means a licensed deviation from the contractual relationship between the employer and the employee, and even assuming that this deviation should be permitted on the ground that a legal strike is the worker's weapon to secure redress of his legitimate grievances, it is only fair that, before the worker exercises his privilege, the employer should be appraised of the latter's grievances, and given an opportunity to set matters right.
- (d) Psychologically, the bitterness and tension which usually follow a cessation of work, are not calculated to promote a peaceful settlement of the issues involved and in this view of the case, should be avoided, as far as possible.



In these circumstances, my Committee consider that a strike or lockout should always be preceded by a sufficiently long notice period which would permit of conciliation machinery being brought into action if necessary. The larger interests of the country require production to be maintained, and it is submitted that this cannot be done unless lightning strikes under any circumstances were forbidden by law.

Government propose to take the powers to refer an industrial dispute to the arbitration of an Industrial Court, the award of such Court being binding on both the parties to the dispute. The Committee of the Association are strongly opposed to the principle of compulsory arbitration.

The first paragraph of the Government Memorandum states that the provisions relating to compulsory arbitration have been generally acceptable to both the employers and the workmen. This statement does not seem to be correct. A proposal to introduce compulsory arbitration, more or less as a peace-time measure, was discussed at one of the recent Tripartite Conferences, and representatives of labour and employers unanimously opposed it. A very high state of organization among the parties themselves is one of the conditions precedent to the introduction of compulsory arbitration, and unless the parties appearing before the Arbitrator truly represent those whom they profess to represent, and can also guarantee that the award, whatever its nature, would be faithfully accepted and adhered to by their following, arbitration would be meaningless, and, if adopted, is calculated to react unfairly on the employer in the sense that an award can and will always be enforced against him, but cannot and will not be enforced on the workers.

That apart, compulsory arbitration is likely to kill all incentive to a settlement of the differences between the employer and his workmen by direct negotiation and conciliation. The mere fact that Government could force the parties to arbitration would make a farce of conciliation proceedings, since the parties would be disinclined, as a matter of strategy, to place all their cards on the table, knowing full well that when the arbitration comes, the Industrial Court will take the thread from where it snapped in the conciliation proceedings, with the result that the maximum concession made by the employer would become the starting point for the Industrial Court.

Apart from this inherent defect in compulsory arbitration, if, after making genuine efforts to iron out their differences by direct negotiations, or through conciliation, the parties fail, there is no virtue in forcing them into each other's company through the medium of compulsory arbitration. This is not conducive to the growth of harmonious relations between an employer and his workmen. An award, whatever its nature, is calculated to lead to bitterness in one or the other of the parties, and this provides a fertile ground for the growth of further grievances.

If, in spite of what my Committee have said, Government still desire to introduce compulsory arbitration by Industrial Courts, then, my Committee would be prepared to give it a fair trial, provided Government undertake to provide the necessary machinery to enforce an award if it became necessary to do so, and the workers, if they do not abide by the award, should be made liable for punishment such as forfeiture of monetary and other privileges, which accrue to them at present, and may accrue in the future, such as holidays with pay, sickness or unemployment insurance, bonus, gratuity, etc., in addition to a fine, which may be suitably devised for the purpose.

My Committee have no observations to make in regard to the other proposals outlined in Government's memorandum, but they desire to draw attention to one serious omission. It has been pointed out in the preceding paragraphs that no strike or lockout should be allowed to take place before all peaceful means of bringing about a settlement of the dispute, if any, have been tried and failed, and until, after the expiry of the notice period. Taking this to its logical conclusion, it should also be provided that, where a strike is already in existence, the workers should be made to resume work on the appointment of a Court of Enquiry, Board of Conciliation, or reference to an Industrial Court, and no further cessation of work should be permitted until the proceedings before the authorities referred to have been completed and their report published. It is of paramount importance that normality should prevail when the dispute is before an individual Conciliator, a Board of Conciliation or an Industrial Court, as otherwise, in their desire to bring the workers back to the factory, the officials concerned are likely to pursue a policy of appeasement.

## APPENDIX 10.

## INDIAN TRADE UNIONS (AMENDMENT) ACT.

## RECOGNITION OF TRADE UNIONS.

[As introduced in the Legislative Assembly.]

*A Bill further to amend the Indian Trade Unions Act, 1926.*

Whereas it is expedient further to amend the Indian Trade Unions Act, 1926 (XVI of 1926), for the purposes hereinafter appearing ;

It is hereby enacted as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Indian Trade Unions (Amendment) Act, 1946.

(2) It shall come into force on such date as the Central Government may, by notification in the official *Gazette*, appoint.

2. *Amendment of long title and preamble, Act XVI of 1926.*—In the long title and preamble of the Indian Trade Unions Act, 1926 (hereinafter referred to as the said Act),—

(a) after the word “ registration ” the words “ and recognition ” shall be inserted.

(b) for the words “ registered Trade Unions in British India ” the words “ registered and recognised Trade Unions and to certain unfair practices in industrial or trade employment ” shall be substituted.

3. *Amendment of section 2, Act XVI of 1926.*—In section 2 of the said Act,—

(a) after the words “ appropriate Government ” means, the words, figures and letter “ subject to the provisions of section 28A,” shall be inserted ;

(b) clauses (a), (b), (c), (d), (e), (f), (g) and (h) shall be relettered as clauses (b), (d), (e), (g), (h), (i), (k) and (l), respectively ;

(c) after the words “ subject or context,—” the following clause shall be inserted, namely :—

(a) “ employer ” means, in the case of any industry carried on by any department of any Government in British India, the authority prescribed in this behalf or, where no authority is prescribed, the head of the department ; ;

(d) after clause (b) as relettered by this section, the following clause shall be inserted, namely :—

(c) “ Industrial Court ” means in relation to a Trade Union an Industrial Court appointed by the appropriate Government under sub-section (1) of section 28B ; ;

(e) after clause (e) as relettered by this section, the following clause shall be inserted, namely :—

(f) “ recognised Trade Union ” means a Trade Union recognised under this Act ; ;

(f) after clause (i) as relettered by this section, the following clause shall be inserted, namely :—

(j) “ strike ” and “ illegal strike ” have the meanings respectively assigned to them in the Trade Disputes Act, 1929 (VII of 1929), and “ irregular strike ” means an illegal strike or a strike declared by a Trade Union in contravention of its rules referred to in clause (d) of sub-section (1) of section 28D ; ;

4. *Insertion of new Chapters IIIA and IIIB in Act XVI of 1926.*—After Chapter III of the said Act the following chapters shall be inserted, namely :—

“ CHAPTER IIIA.

*Recognition of Trade Unions.*

28A.—*Modification of the definition of “ appropriate Government ” for certain purposes.*—Notwithstanding anything to the contrary in the definition of “ the appropriate

Government" in section 2, the Central Government shall be deemed to be the appropriate Government for the purposes of this chapter in respect of Trade Unions consisting of workmen employed by the Central Government or by a Federal Railway or in a major port.

*Explanation.*—In this section and for the purposes of this Chapter, a Trade Union of which not less than seventy per cent. of the members are workmen employed by the Central Government or by a Federal Railway or in a major port, shall be deemed to be a Trade Union consisting of workmen employed by the Central Government or by a Federal Railway or in a major port, as the case may be.

28B. *Appointment, constitution, powers and procedure of Industrial Courts.*—(1) For the purposes of this chapter, the appropriate Government shall appoint such number of Industrial Courts as it considers necessary, consisting of one or more persons each of whom is qualified under sub-section (3) of section 220 of the Government of India Act, 1935 (26 Geo. 5, c. 2), for appointment as a Judge of a High Court.

(2) Every Industrial Court shall have all the powers of a Civil Court for the purposes of receiving evidence, administering oaths, enforcing the attendance of witnesses, and compelling the discovery and production of documents, and shall be deemed to be a Civil Court within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898 (V of 1898).

(3) The proceedings of Industrial Courts shall be regulated and conducted in such manner as may be prescribed.

28C. *Recognition by agreement.*—(1) Where an employer agrees to recognise a Trade Union, a Memorandum of agreement signed by the employer and the officers of the Trade Union, or their authorised representatives, may be presented to the Registrar who shall record the memorandum in a register in the prescribed manner.

(2) Such an agreement may be revoked by either party thereto on application made to the Registrar in the prescribed manner.

(3) While such an agreement is in force, the Trade Union shall, in its relations with the employer with whom the agreement is made, have all the rights of a recognised Trade Union under this Act, and shall for all other purposes be deemed to be a recognised Trade Union.

28D. *Conditions for recognition.*—(1) A Trade Union shall not be entitled to recognition under this Act, unless it fulfils the following conditions, namely:—

(a) that all its ordinary members are workmen employed in one and the same trade or industry;

(b) that it is, and has been for at least twelve months prior to the date of the application for recognition, a registered Trade Union, and that it has complied with all the provisions of this Act;

(c) that its rules do not provide for the exclusion of members on communal or religious grounds;

(d) that its rules provide for the procedure for declaring a strike;

(e) that its rules provide that a meeting of its executive shall be held at least once in every six months;

(f) that it is a representative Trade Union;

(g) that it has applied for recognition to the employer not less than three months prior to the date of its application to the Industrial Court for recognition, and that the employer has refused to recognise it;

(h) such further conditions not inconsistent with this sub-section as may be prescribed to meet local requirements.

(2) No Trade Union shall be deemed to be a representative Trade Union for the purposes of clause (f) of sub-section (1), unless it satisfies such conditions as may be prescribed.

28E. *Application for, and grant of, recognition.*—(1) Where the conditions set out in clause (g) of sub-section (1) of section 28D are fulfilled, a registered Trade Union may apply in writing, setting out such particulars as may be prescribed, to the Industrial Court for recognition.

(2) The Industrial Court may call for further information for the purpose of ascertaining whether the Trade Union is entitled to recognition under section 28D, and if a Trade Union fails to supply the required information within the prescribed period, its application for recognition shall be deemed to have been withdrawn.

(3) The Industrial Court shall investigate whether the Trade Union fulfils the conditions for recognition set out in section 28D, and shall forward the application to the appropriate Government with a report and a recommendation regarding the grant or withholding of recognition.

(4) On receipt of the application for recognition and the report referred to under sub-section (3), the appropriate Government, if satisfied that the Trade Union is fit to be recognised, may, by notification in the official *Gazette*, declare the Trade Union to be a recognised Trade Union.

**28F. Rights of recognised Trade Unions.**—(1) The executive of a recognised Trade Union shall be entitled to negotiate with employers in respect of matters connected with the employment or non-employment or the terms of employment or the conditions of labour of all or any of its members, and the employer shall receive and send replies to letters sent by the executive on, and grant interviews to that body regarding such matters.

(2) Nothing in this section shall be construed as requiring an employer to send replies to letters on, or grant interviews regarding, matters on which, as a result of previous discussion with the executive of a Trade Union, the employer has arrived at a conclusion, whether in agreement with the executive or not, unless a period of at least six months has elapsed since the said conclusion was arrived at, or unless there has been a change in circumstances.

(3) Any dispute between the employer and the executive of a recognised Trade Union as to whether a conclusion has been arrived at, or whether there has been a change in circumstances, within the meaning of sub-section (2), shall be referred to the Registrar whose decision shall be final.

**28G. Withdrawal of recognition.**—(1) The Registrar, a registered Trade Union of workmen in the same trade or industry, or the employer may apply in writing to the Industrial Court for withdrawal of the recognition of a recognised Trade Union on any of the following grounds, namely :—

- (a) that the executive or the members of the Trade Union have committed any unfair practice set out in section 28J within three months prior to the date of the application ;
- (b) that the Trade Union has failed to submit any return referred to in section 28I ;
- (c) that the Trade Union has ceased to be a representative Trade Union.

(2) On receipt of an application under sub-section (1) the Industrial Court shall, unless it thinks fit to dismiss the application summarily, serve notice in the prescribed manner on the Trade Union to show cause why its recognition should not be withdrawn.

(3) After giving reasonable opportunity to the Trade Union to show cause, the Industrial Court shall forward the application to the appropriate Government with a report and a recommendation regarding the continuance or withdrawal of the recognition of the Trade Union.

(4) The appropriate Government, if satisfied that the Trade Union is not fit to be recognised shall, by notification in the official *Gazette*, declare that its recognition has been withdrawn.

**28H. Application for fresh recognition.**—On the expiry of not less than six months from the date of withdrawal of recognition of a Trade Union under sub-section (4) of section 28G, the Trade Union, if it continues to be a registered Trade Union, may again apply for recognition, and the procedure laid down in this Act shall apply in respect of such application as if it were an original application for recognition.

**28L. Recognised Trade Unions to submit fresh returns.**—Every recognised Trade Union shall submit to the Registrar at the prescribed time and in the prescribed manner such returns, in addition to those referred to in section 28, as may be prescribed.

## CHAPTER IIIB.

*Unfair practices.*

28J. *Unfair practices by recognised Trade Unions.*—The following shall be deemed to be unfair practices on the part of a recognised Trade Union, namely :—

- (a) for a majority of the members of the Union to take part in an irregular strike ;
- (b) for the executive of the Union to advise or actively to support or to instigate an irregular strike ;
- (c) for an officer of the Union to submit any return required by or under this Act containing false statements.

28K. *Unfair practices by employers.*—The following shall be deemed to be unfair practices on the part of an employer, namely :—

- (a) to interfere with, restrain, or coerce his workmen in the exercise of their rights to organise, form, join or assist a Trade Union and to engage in concerted activities for the purpose of mutual aid or protection ;
- (b) to interfere with the formation or administration of any Trade Union or to contribute financial or other support to it ;
- (c) to encourage or discourage membership of any Trade Union by discrimination in regard to hire or tenure of employment or any term or condition of employment ;
- (d) to discharge or otherwise discriminate against any workman because he has made allegation or given evidence in an inquiry or proceeding relating to any matter such as is referred to in sub-section (1) of section 28F ;
- (e) to fail to comply with the provisions of section 28F."

5. *Amendment of section 29, Act XVI of 1946.*—(1) To sub-section (1) of section 29 of the said Act the following proviso shall be added, namely :—

" Provided that the making of regulations under this section for the purpose of carrying into effect the provisions of Chapter IIIA shall be deemed to be a purpose of that chapter within the meaning of section 28A."

(2) To the said section 29 the following sub-section shall be added, namely :—

" (3) The Central Government may give directions to a Provincial Government as to the regulations to be made under this section for the purposes of clause (h) of sub-section (1), and sub-section (2), of section 28D."

6. *Amendment of section 31, Act XVI of 1926.*—In section 31 of the said Act,—

- (a) in sub-section (1),—
- (i) after the word " registered " the words " or recognised " shall be inserted ;
- (ii) for the word " statement " the words " statement, return " shall be substituted ;
- (b) in sub-section (2), after the word and figures " section 28 " the words, figures and letter " or any return referred to in section 281," shall be inserted.

7. *Insertion of new section 32A in Act XVI of 1926.*—After section 32 of the said Act the following section shall be inserted, namely :—

" 32A. *Penalty for unfair practices.*—Any employer who commits any unfair practice set out in section 28K shall be punishable with fine which may extend to one thousand rupees."

*Copy of letter No. 115, dated 15th January 1947, from the Association to the Secretary to the Government of India, Department of Labour, New Delhi.*

I am directed to refer to the Bill further to amend the Indian Trade Union Act, 1926, which has been published in the Bombay Provincial Gazette. At the outset, I am desired to submit that due to the preoccupations of the Association with various matters of urgent importance, it was not possible for the Committee of my Association to submit their considered views on the Bill at an earlier date ; nevertheless, it is hoped that it will be possible for Government to take into consideration the views expressed in this communication.

Clause 2 (b) of the Bill suggests certain amendments in the long title and preamble of the 1926 Act. It is suggested that the words "to certain unfair practices in industrial or trade employment" be deleted, and the words "in respect of certain other matters" be inserted therefor. The amendment as proposed by Government conveys the impression that certain unfair practices exist in industrial or trade employment, and it is pointed out that the amendment which has been proposed would serve the purpose which Government have in view.

Clause 3 (f).—*Definition of strikes and illegal strikes.*—As Government are aware, certain provinces have also enacted legislations to provide for the investigation and settlement of trade disputes. These statutes also define illegal strikes and lockouts. It is desirable that a strike or lock-out which is illegal under a Provincial Act should also be illegal under the Central Act and *vice versa*, and in this view of the case, it is suggested that after the words in brackets "(VII of 1929)" the words "or under any other enactment of the Central or Provincial Legislature" be inserted.

Clause 28D.—*Conditions for recognition.*—Sub-clause (f) refers to a "representative Trade Union." What constitutes a representative Trade Union has nowhere been defined or explained in the Bill, but sub-clause (2) of clause 28D states that no Trade Union shall be deemed to be a representative Trade Union unless it satisfies such conditions *as may be prescribed*. This is a very vital section of the Bill, which cannot be left to be settled by the Rules. My Committee strongly hold that a minimum percentage of membership, say, 25 per cent. of the workers employed in an establishment or industry in a local area should be insisted upon before the Union concerned is deemed to be a Representative Union within the meaning of section 28D.

A further point which should be made in connection with the proposed sub-clause (2) of clause 28D is that in calculating the qualification membership, only those members who have paid their subscriptions regularly and continuously for a period of at least six months immediately prior to the application should be considered.

The conditions precedent to the grant of recognition should also include the following :

- (a) The Union aims at peaceful and legitimate methods being followed in securing the redress of the grievances of its members.
- (b) The control of the Union is in the hands of workers representing a substantial number of persons whom the Union claims to represent.
- (c) Prohibits strikes without notice.
- (d) Prohibits strikes unless preceded by a ballot in which two-thirds of the members on the rolls are actually in favour of the strike.
- (e) Its membership is purely voluntary.
- (f) Maintains proper records of subscriptions collected and of negotiations with employers.

Clause 28E.—It is considered that when making an application under section 28E, a Trade Union should also be asked to furnish the names and addresses of every factory or factories in which the Union seeks recognition. Where the application for recognition covers more than one factory, the Court should consider the representative character of the Union in each such concern separately, and shall, in its findings, specify the concerns in which the Union is declared to be a Representative Union.

Clause 28E (4).—Where the Provincial Government is not in agreement with the findings of the Industrial Court, it should refer the question back to the Industrial Court for review together with a statement of the additional grounds, if any, which should be taken into consideration when making such review.

Clause 28F (1).—A corresponding reciprocal obligation may be placed on the Union, and they should be compelled to receive and reply to communications sent by employers.

Clause 28F (3).—The Association considers that the final authority should be the Industrial Court and not the Registrar.

*Clause 28G (4).*—Here again if the Industrial Court recommends the withdrawal of recognition from a Union, and if the local Government do not agree with such recommendation, then the Industrial Court should be asked to review the position in the light of such additional information relating to the Union as may have come into the possession of the local Government.

*Clause 28J.—Unfair practices by recognised Trade Unions.*—My Committee strongly hold that wherever the expression “irregular strike” is used, the words “and illegal strike” should also be added in this clause.

My Committee also desire to suggest that the following should also be deemed to be unfair practices by a Union :

- (i) Negotiations on behalf of workers who have struck work without the Union's permission before such workers have returned to work ;
- (ii) Discussion by an officer of the Trade Union at a public meeting convened by the Trade Union of a grievance which has not been previously represented to the employer ;
- (iii) Criticism in a public meeting by an officer of the Trade Union of any action of the employer without first verifying from the employer the report on which the criticism is based ;
- (iv) Encouragement by an officer of the Trade Union to workers to slow down work ;
- (v) Encouragement directly or indirectly by an officer of the Trade Union to indiscipline inside the factory ;
- (vi) For an officer of a Trade Union to engage in Trade Union activities on the employer's premises except to the extent mutually agreed upon between the union and the employer ;
- (vii) Coercion of a worker to join the Union against his free will.

*Clause 28K.—Unfair practices by employers.*—The expression “to interfere with” occurring in this clause is vague, and is likely to be misinterpreted. It is, therefore, suggested that, if the expression cannot be properly defined, it might be dropped. It is felt that even if this expression were deleted, the object underlying the legislation would not be defeated.

The wording of sub-clause 28K (d) seems to go far beyond the necessities of the case. While the idea underlying the clause is appreciated, Government, it is thought, would concede that the employer must be free to take appropriate action against a worker who makes a vexatious or frivolous charge against the employer.

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## APPENDIX 20.

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### STANDING ORDERS FOR LARGE INDUSTRIAL CONCERNS.

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*Copy of circular No. 72A, dated 7th June, 1946, issued by the Association to all Up-country Members of the Association outside Bombay Province.*

I circulate herewith for the information and necessary action of up-country members a copy of the Industrial Employment (Standing Order) Act.

Attention is particularly invited to sub-section 3 of section 1, and section 3 of the Act. The Act *does not apply* to any industry to which, before the commencement of the Act, the provisions of Chapter 5 of the Bombay Industrial Disputes Act, 1938, have been applied, *but applies* to every industrial establishment wherein one hundred or more workmen are employed, or were employed on any day of the preceding twelve months, and to such class or classes of other industrial establishments as the appropriate Government may, from time to time, by notification in the official *Gazette*, specify in this behalf. According to section 3, within six months from the date on which the Act becomes applicable to any industrial establishment, the employer should submit to the Certifying Officer five copies of the draft

Standing Orders proposed by him for adoption in his industrial establishment. Provision is also made for a group of employers in similar industrial establishments to submit a joint draft of Standing Orders.

A copy of the Standing Orders settled by the Industrial Court for operatives employed in the Bombay cotton mills situated within the City and Island is attached herewith\* for ready reference and will be found useful in preparing Standing Orders in accordance with the provisions of the Act.

ACT No. XX OF 1946.

*An Act to require employers in industrial establishments formally to define conditions of employment under them.*

Whereas it is expedient to require employers in industrial establishments to define with sufficient precision the conditions of employment under them and to make the said conditions known to workmen employed by them ;

It is hereby enacted as follows :—

1. *Short title, extent and application.*—(1) This Act may be called the Industrial Employment (Standing Orders) Act, 1946.

(2) It extends to the whole of British India.

(3) It applies to every industrial establishment wherein one hundred or more workmen are employed, or were employed on any day of the preceding twelve months, and to such class or classes of other industrial establishments as the appropriate Government may from time to time, by notification in the official *Gazette*, specify in this behalf :

Provided that nothing in this Act shall apply to any industry to which, before the commencement of this Act, the provisions of Chapter V of the Bombay Industrial Disputes Act, 1938 (Bombay Act XXV of 1938), have been applied.

2. *Interpretation.*—In this Act, unless there is anything repugnant in the subject or context.

(a) "appellate authority" means an Industrial Court, wherever it exists or in its absence an authority appointed by the appropriate Government by notification in the official *Gazette* to exercise in such area as may be specified in the notification the functions of an appellate authority under this Act ;

(b) "appropriate Government" means in respect of industrial establishments under the control of the Central Government or a Federal railway or in a major port, mine or oil-field, the Central Government, and in all other cases, the Provincial Government ;

(c) "Certifying Officer" means the Labour Commissioner wherever he exists, or in his absence an officer appointed by the appropriate Government by notification in the official *Gazette* to exercise in such area as may be specified in the notification the functions of a Certifying Officer under this Act ;

(d) "employer" means the owner of an industrial establishment to which this Act for the time being applies, and includes—

(i) in a factory, any person named under clause (e) of sub-section (1) of section 9 of the Factories Act, 1934 (XXV of 1934), as manager of the factory ;

(ii) in any industrial establishment under the control of any department of any Government in India, the authority appointed by such Government in this behalf, or where no authority is so appointed, the head of the department ;

(iii) in any other industrial establishment, any person responsible to the owner for the supervision and control of the industrial establishment ;

(e) "industrial establishment" means—

(i) an industrial establishment as defined in clause (ii) of section 2 of the Payment of Wages Act, 1936 (IV of 1936), or



- (ii) a factory as defined in clause (i) of section 2 of the Factories Act, 1934, or
- (iii) a railway as defined in clause (4) of section 2 of the Indian Railways Act, 1890 (IX of 1890), or
- (iv) the establishment of a person who, for the purpose of fulfilling a contract with the owner of any industrial establishment, employs workmen ;
- (f) "prescribed" means prescribed by rules made by the appropriate Government under this Act ;
- (g) "standing orders" means rules relating to matters set out in the schedule.
- (h) "trade union" means a trade union for the time being registered under the Indian Trade Unions Act, 1926 (XVI of 1926) ;
- (i) "workman" means any person employed in any industrial establishment to do any skilled or unskilled, manual or clerical labour for hire or reward, but does not include any member of the armed forces of the Crown.

3. *Submission of draft standing orders.*—(1) Within six months from the date on which this Act becomes applicable to an industrial establishment, the employer shall submit to the Certifying Officer five copies of the draft standing orders proposed by him for adoption in his industrial establishment.

(2) Provision shall be made in such draft for every matter set out in the Schedule which may be applicable to the industrial establishment, and where model standing orders have been prescribed shall be, so far as is practicable, in conformity with such model.

(3) The draft standing orders submitted under this section shall be accompanied by a statement giving prescribed particulars of the workmen employed in the industrial establishment including the name of the trade union, if any, to which they belong.

(4) Subject to such conditions as may be prescribed, a group of employers in similar industrial establishments may submit a joint draft of standing orders under this section.

4. *Conditions for certification of standing orders.*—Standing orders shall be certifiable under this Act if—

- (a) provision is made therein for every matter set out in the Schedule which is applicable to the industrial establishment, and
- (b) the standing orders are otherwise in conformity with the provisions of this Act ;

and it shall not be the function of the Certifying Officer or appellate authority to adjudicate upon the fairness or reasonableness of the provisions of any standing orders.

5. *Certification of standing orders.*—(1) On receipt of the draft under section 3, the certifying officer shall forward a copy thereof to the trade union, if any, of the workmen, or where there is no such trade union, to the workmen in such manner as may be prescribed, together with a notice in the prescribed form requiring objections, if any, which the workmen may desire to make to the draft standing orders to be submitted to him within fifteen days from the receipt of the notice.

(2) After giving the employer and the trade union or such other representatives of the workmen as may be prescribed an opportunity of being heard, the Certifying Officer shall decide whether or not any modification of or addition to the draft submitted by the employer is necessary to render the draft standing orders certifiable under this Act, and shall make an order in writing accordingly.

(3) The Certifying Officer shall thereupon certify the draft standing orders, after making any modifications therein which his order under sub-section (2) may require, and shall within seven days thereafter send copies of the certified standing orders authenticated in the prescribed manner and of his order under sub-section (2) to the employer and to the trade union or other prescribed representatives of the workmen.

6. *Appeals.*—(1) Any person aggrieved by the order of the Certifying Officer under sub-section (2) of section 5 may, within twenty-one days from the date on which copies are sent under sub-section (3) of that section, appeal to the appellate authority, and the appellate

authority, whose decision shall be final, shall by order in writing confirm the standing orders either in the form certified by the Certifying Officer or after amending the said standing orders by making such modifications thereof or addition thereto as it thinks necessary to render the standing orders certifiable under this Act.

(2) The appellate authority shall, within seven days of its order under sub-section (1) send copies thereof of the Certifying Officer, to the employer and to the trade union or other prescribed representatives of the workmen, accompanied, unless it has confirmed without amendment the standing orders as certified by the Certifying Officer, by copies of the standing orders as certified by it and authenticated in the prescribed manner.

7. *Date of operation of standing orders.*—Standing orders shall, unless an appeal is preferred under section 6, come into operation on the expiry of thirty days from the date on which authenticated copies thereof are sent under sub-section (3) of section 5, or where an appeal as aforesaid is preferred, on the expiry of seven days from the date on which copies of the order of the appellate authority are sent under sub-section (2) of section 6.

8. *Register of standing orders.*—A copy of all standing orders as finally certified under this Act shall be filed by the Certifying Officer in a register in the prescribed form maintained for the purpose, and the Certifying Officer shall furnish a copy thereof to any person applying therefor on payment of the prescribed fee.

9. *Posting of standing orders.*—The test of the standing orders as finally certified under this Act shall be prominently posted by the employer in English and in the language understood by the majority of his workmen on special boards to be maintained for the purpose at or near the entrance through which the majority of the workmen enter the industrial establishment and in all departments thereof where the workmen are employed.

10. *Duration and modification of standing orders.*—(1) Standing orders finally certified under this Act shall not, except on agreement between the employer and the workmen, be liable to modification until the expiry of six months from the date on which the standing orders or the last modifications thereof came into operation.

(2) An employer desiring to modify his standing orders shall apply to the Certifying Officer in that behalf, submitting five copies of the standing orders in which shall be indicated the modifications he proposes, and where such modifications are made in agreement with the workmen, a certified copy of the agreement shall accompany the application.

(3) The foregoing provisions of this Act shall apply in respect of an application under sub-section (2) as they apply to the certification of the first standing orders.

11. *Certifying officers and appellate authorities to have powers of Civil Court.*—Every Certifying Officer and appellate authority shall have all the powers of a Civil Court for the purposes of receiving evidence, administering oaths, enforcing the attendance of witnesses, and compelling the discovery and production of documents, and shall be deemed to be a Civil Court within the meaning of section 480 and 482 Code of Criminal Procedure, 1898 (V of 1898).

12. *Oral evidence in contradiction of standing orders not admissible.*—No oral evidence having the effect of adding to or otherwise varying or contradicting standing orders as finally certified under this Act shall be admitted in any Court.

13. *Penalties and procedure.*—(1) An employer who fails to submit draft standing orders as required by section 3, or who modifies his standing orders otherwise than in accordance with section 10, shall be punishable with fine which may extend to five thousand rupees, and in the case of a continuing offence with a further fine which may extend to two hundred rupees for every day after the first during which the offence continues.

(2) An employer who does any act in contravention of the standing orders finally certified under this Act for his industrial establishment shall be punishable with fine which may extend to one hundred rupees, and in the case of a continuing offence with a further fine which may extend to twenty-five rupees for every day after the first during which the offence continues.

(3) No prosecution for an offence punishable under this section shall be instituted except with the previous sanction of the appropriate Government.

(4) No Court inferior to that of a Presidency Magistrate or Magistrate of the second class shall try any offence under this section.

14. *Power to exempt.*—The appropriate Government may by notification in the official *Gazette* exempt, conditionally or unconditionally, any industrial establishment or class of industrial establishments from all or any of the provisions of this Act.

15. *Power to make rules.*—(1) The appropriate Government may, after previous publication, by notification in the official *Gazette* make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may ;—

- (a) prescribe additional matters to be included in the Schedule and the procedure to be followed in modifying standing orders certified under this Act in accordance with any such addition ;
- (b) set out model standing orders for the purposes of this Act ;
- (c) prescribe the procedure of Certifying Officers and appellate authorities ;
- (d) prescribe the fee which may be charged for copies of standing orders entered in the register of standing orders ;
- (e) provide for any other matter which is to be or may be prescribed ;

Provided that before any rules are made under clause (a) representatives of both employers and workmen shall be consulted by the appropriate Government.

#### THE SCHEDULE.

(See sections 2 (g) and 3 (2)).

##### *Matters to be provided in Standing Orders under this Act.*

1. Classification of workmen, e.g., whether permanent, temporary, apprentices, probationers, or *badlis*.
2. Manner of intimating to workmen periods and hours of work, holidays, pay-days and wage rates.
3. Shift working.
4. Attendance and late coming.
5. Conditions of procedure in applying for, and the authority which may grant, leave and holidays.
6. Requirement to enter premises by certain gates, and liability to search.
7. Closing and reopening of sections of the industrial establishment, and temporary stoppages of work and the rights and liabilities of the employer and workmen arising therefrom.
8. Termination of employment, and the notice thereof to be given by employer and workmen.
9. Suspension or dismissal for misconduct, and acts or omissions which constitute misconduct.
10. Means of redress for workmen against unfair treatment or wrongful exactions by the employer or his agents or servants.
11. Any other matter which may be prescribed.

## APPENDIX 21.

## WORKMEN'S STATE INSURANCE BILL, 1946.

*Copy of letter No. 267, dated 26th February, 1947, from the Association to the Secretary to the Government of India, Department of Labour, New Delhi.*

I am directed to refer to the Workmen's State Insurance Bill,\* 1946, introduced in the Central Legislative Assembly by the Hon'ble Mr. Jagjivan Ram, and to convey to you the views of the Committee of the Millowners' Association, thereon.

2. At the outset, I am desired to draw your attention to one or two omissions in the Bill.

First, there is no guarantee that the whole scheme will be self-supporting and that neither the employers nor the employees will be called upon to make any payment in addition to, and other than, the contributions at the scale laid down in the Bill. To create confidence in the scheme, Government should, it is felt, incorporate in the measure a clause undertaking to guarantee the solvency of the scheme, say, for the first 25 years. It would have been of considerable assistance to the Committee of the Association if Government had supplied them with estimates of the income accruing to the Fund and the expenditure which they expect to be called upon to incur from year to year, but as this information is not available, it is very difficult to say what the financial implications of the scheme are. It is presumed that Government have satisfied themselves about the solvency of the Fund. If this is so, then, purely from the point of view of the psychological effect on the employers and employees which such an undertaking is calculated to produce, Government should readily give it.

Second, the Bill is silent about Government's share in the cost of the scheme. Both Professor Adarkar and Messrs. Stack and Rao have emphasised in no uncertain language the need for Government assistance. On page 10 of his report, Professor Adarkar States :

"The question of a State contribution to health insurance cannot be shirked. . . .

The general proposition that the State should bear its due share of financial responsibility in regard to social security as a whole is one which needs little argument."

Yet, there is surprisingly no mention anywhere in the Bill of any contribution by Government except a half-hearted undertaking to provide medical facilities, the extent of which is vague and uncertain. While it is impossible, in the absence of sickness and other records, to say exactly what the outgoings from the Fund are likely to be in the shape of cash benefits allowance, the nature and size of the administration and other machinery which the Bill proposes to set up are calculated to absorb a very substantial slice of the income of the Fund. In this view of the case, the Committee of the Association strongly urge on Government the adoption of the proposals made by the experts referred to in one of the preceding paragraphs, namely, two-thirds of the entire cost of administration should be met by the Central Government, and the cost of medical relief should be shared between the Provinces and the Fund. To place matters beyond doubt, the extent of the Central Government's contribution and the Provincial Government's responsibility for medical expenses, should be very clearly laid down in the Bill.

3. Turning now to the detailed clauses of the measure, the Committee of the Association have the following observations to make :—

*Clause 1(4)* : It is stated that the Bill shall apply in relation to "all factories." The implication is that it would not apply to railways. No reasons have been advanced by Government to exempt railways from the scope of the measure, and they should, therefore, be included.

*Clause 2 (6)* : A "minor" is construed as being a person who is under the age of eighteen years. This definition is unnecessary as the Workmen's Compensation Act defines a minor as a person under 15.

*Clause 2 (8)* : The expression "occupational disease" has not been defined. A list of occupational diseases is given in Schedule III of the Workmen's Compensation Act, and this Schedule should be taken *en bloc* for the purpose of sickness insurance.

*Clause 2 (17)*—“ *Out-worker* ” : It is not clear whether the period of six months referred to in this definition is a continuous period of 180 days, or six months of four weeks each, commencing from the week in which the workman ceases to be employed.

*Clause 2 (22)* : The definition seems to be very wide. As it stands, it would seem that a gardener employed in a factory or a mason or carpenter temporarily employed in a factory for some temporary construction work would fall within the scope of the Bill. It is suggested that the Bill should include only those which are connected with the regular and *bona fide* business of the factory concerned.

*Clause 2 (25)*—“ *Wages* ” : The expression “ wages ” would have the meaning given to it in the Payment of Wages Act. In other words, dearness allowance and bonus would be included in “ wages ” wherever they are applicable. This will create a practical difficulty, particularly in connection with computing the average daily or weekly wage of a worker, for the reason that bonus, if declared, is declared only at the end of the year, or early in the year following.

*Clause 2 (26)* : The expression “ week ” means the period of seven days commencing at midnight between Sunday and Monday. This definition, it is thought, should follow the definition of the expression “ week ” in section 2 (e) of the Factories Act where it commences at midnight on Saturday night.

*Clause 8 (1)*—*Medical Benefit Council* : Employers have been given one seat, whereas workmen have been given three seats. It is thought that the employer should at least be given as many seats as workers, though they have been asked to contribute more to the Fund.

*Clause 17* : This clause states that the Board may, in addition to the scheme of benefits specified in the Act, promote measures for the improvement of the health and welfare of insured persons, etc. My Committee feel that this is the appropriate place to point out that, whatever be Government's ideas regarding the measures for the promotion of which they propose to spend moneys from the Fund, there would be no justification for asking either employers or employees to increase their contributions beyond the scales laid down in the Act. The tendency to spend money, regardless of the financial stability of the Fund, needs to be curbed in the initial stages of the working of the Act, and it would be better to delete this clause for the time being.

*Clause 20* : It is suggested that the following sub-clause be added to the duties of the Council :—

“(d) to investigate complaints regarding inadequacy of treatment given in hospitals, etc., and to take steps to institute or improve such facilities as may be necessary.”

*Clause 31*—*Contributions* : The position and liability of the employers in respect of *badli* or substitutes have not been defined. *Badli*s do not always put in a full week, nor do they get work in the same mill for all days in the month.

The expression “ full working days ” in paragraph 2 of Schedule I is not clear, and should, therefore, be defined.

*Clause 31 (3)* lays down that a week shall be the unit in respect of which all contributions shall be payable. It follows that, where a worker puts in less than a week, the employer pays his own contribution in advance in respect of that worker. If the employer appoints a *badli* in place of an absentee worker, then that employer has to pay in full his own share in respect of that *badli* worker. In other words, the employer's cost of insurance depends not only on the total number of permanent employees, but also on the number of *badli*s who were employed. In a mill with high percentage of absenteeism, the cost of insurance, is likely to exceed the cost of insurance of a mill with very little or no absenteeism. In fairness to the employer, it is suggested that his own share of the contribution should be limited to the number of days actually put in during the week by the worker concerned.

*Clause 31 (4) and the two provisos* : Under the proposed rules, contributions are to be paid every week, in advance. The second proviso to clause 31 (4) lays down that regulations made under the Act may provide for the payment of the weekly contributions at intervals of two or more weeks. Weekly payment of contribution will involve considerable clerical

work on the employers. In the circumstances, it is suggested that the payment be made at monthly intervals, the actual cash contribution being based on the number of days actually put in by the worker concerned in the preceding month.

*Clause 32 (2)* : The implications of this clause are not very clear, but it seems that the employer is expected to pay in advance, in addition to his own contribution, the full contribution for the week due from the worker. If subsequently, the worker puts in only four days in the week, the employer would be entitled to deduct from the worker's wage only four-sixths of the contribution he has paid on behalf of the worker during that week. If, for instance, in a particular case, the employee's contribution per full week came to 8 annas, the employer would be able to deduct only four-sixths of 8 annas or  $5\frac{1}{3}$  annas from the worker, the balance coming out of the pockets of the employer. The Committee of the Association do not understand the justification behind this provision. If an employer paid a contribution on behalf of the worker in advance, then he should be able to recover the full amount of that advance from the earned wages of the worker.

*Clause 34 (3)* : The observations made against clause 32 (2) will apply to this clause also.

*Clause 39 (5)* : It is not clear whether the period of six months referred to in this clause covers a period of 180 days or six months of four weeks each. This point should be clarified in the Bill. This observation also holds good in respect of clause 39 (7).

*Clause 42* : Under this clause, the Corporation takes over the commitments of employers under the Workmen's Compensation Act in so far as payment of compensation is concerned, but clause 42 (5) lays down that, save as modified by this Act, the obligations and liabilities imposed on an employer by the Workmen's Compensation Act continue to apply to them. This seems to be in the nature of a wide and sweeping provision, and it is suggested that for purposes of clarification, the particular sections of the Workmen's Compensation Act which would continue to apply in spite of the provisions of the Workmen's State Insurance Act, should be included in a Schedule appended to the latter Act.

The clause lays down that "an insured person is entitled to receive medical benefits only on such scale as is provided by the Provincial Government, or as the Board is able to provide." It is thought that there should be some provision to enable a workman to bring to the notice of the authorities or his employer any defect or shortcomings in the treatment given to him under the provisions of the Bill.

*Clause 48 (2)* : This clause lays down that the Corporation may enter into agreements with Indian States, private bodies or individuals in regard to the provision of medical treatment and attendance for workmen in any area and the sharing of the cost thereof. Clause 62 lays down that no employer by reason of his liability for any contributions payable under this Act shall, directly or indirectly reduce the wages of, or any privileges or benefits conferred on, any workman by the conditions of his service prevailing at the time the provisions of this Act were made applicable to him. Several mills have well equipped dispensaries which are being maintained at considerable expense for the benefit of their operatives, and it is thought that these facilities would be continued on the basis of sub-clause (2) of clause 48, i.e., the Corporation and the Provincial Government sharing the expenses incurred, and that no effort will be made to compel the mills to continue these facilities on the ground that their withdrawal would amount to an offence under clause 62. The point which my Committee desire to emphasise is that medical attention, under the proposed legislation, is the joint responsibility of the Corporation and the Provincial Government. If the Corporation and the Provincial Government desire to utilise the medical facilities and equipment at present provided by individual employers, then the employers should be remunerated *in full* therefor.

*Clause 59* lays down that the Corporation would be entitled to make a claim against the owner of the factory where the worker works, or of the tenement where he lives if it feels that the incidence of sickness to the insured workers is caused by insanitary conditions. In such cases, the Corporation, it is stated, would have to make a reference to the Provincial Government which, under section 59 (2), would appoint a competent person to hold an inquiry into this matter, and it is further laid down that the decision of this officer is final and binding on both parties. It is very difficult to say how the investigating officer is going

to decide the issue when the question is whether the worker's sickness was due to factory working conditions or insanitary conditions of his lodgings. In such cases, it should be very clearly laid down that the employer's responsibility ceases on his proving that he has complied with the sanitary provisions of the Factories Act and the Municipal Act.

*Clause 63 (1)*: This clause prohibits dismissal, discharge or reduction of a worker when he is under medical treatment, etc. Sub-clause (2) of clause 63 goes further and states that a notice previously given to the worker terminating his services and which expires during the period specified in sub-clause (1), shall be invalid. My Committee can understand Government's desire to prevent a worker being dismissed, discharged, or reduced during his illness or disability, but that should be strictly confined to cases where it can be proved beyond doubt that the employer is trying to get rid of an employee only on account of the latter's absence following the injury. If the worker, for instance, had received a notice of discharge even before he received the injury, then that notice should stand. Further, it is quite possible that even before the worker sustained his injury or fell sick, the employer had decided to close down a section of his establishment and given notice of his intention to do so to the worker. In such cases, the notice should stand and apply to everybody concerned with it, including the worker who received the injury or who fell ill subsequent to the date of the notice.

*Clause 72* lays down that an appeal shall lie to the High Court from an order of a Workmen's Insurance Court "if it involves a substantial question of law." It is very difficult to decide whether a decision of the Insurance Court involves a substantial question of law. It is, therefore, suggested that all appeals other than those arising from questions of fact be permitted to the High Court.

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## APPENDIX 22.

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### THE BOMBAY INDUSTRIAL RELATIONS BILL.

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*Copy of letter No. L.O.VI, 5459, dated 15th June 1946, from the Commissioner of Labour, Bombay, to the Association.*

I am directed to invite attention to the Statement on Labour Policy issued by the Government of Bombay and to state that Government now propose to amend the Bombay Industrial Disputes Act, 1938, in certain respects. A copy of a Press Note indicating the changes which it is proposed to make in the Act is enclosed herewith and I shall be glad if you will kindly forward your views and suggestions, if any, on the proposals to the Chief Secretary to the Government of Bombay, Political and Services Department, Secretariat, Bombay, as early as possible but in any case *before 30th June 1946.*

#### PRESS NOTE.

It is proposed to alter the provisions of the Bombay Industrial Disputes Act, 1938, and a Bill for the purpose will be published in due course. After the proposed alterations and additions, the principal changes introduced and the main features of the scheme of the Bombay Industrial Disputes Act will be as follows:—

#### I. TRADE UNIONS.

1. The following types of unions alone will have a place within the framework of the Act:—

(A) *Representative Unions*, meaning unions having a membership of not less than fifteen per cent. of the total number of employees in an industry. (According to the existing provision the minimum percentage required is 25.)

(B) *Qualified Unions*, meaning unions having a membership of not less than five per cent. of the total number of employees in an industry. (This takes the place of a Registered Union having recognition by the employer and five per cent. membership. The requirement regarding recognition will be removed.)

(C) *Primary Unions*, meaning unions on the approved list having a membership of not less than fifteen per cent. of the employees in any undertaking in an industry.

2. There will be only one union in an industry at a time, the larger displacing the smaller.

3. In the definition of "member" the minimum subscription will be raised from one anna to two annas per month.

4. *Approved list*.—A union will be placed on the approved list if it satisfies the following conditions, namely :—

- (i) its constitution provides that it will not sanction a strike as long as arbitration is available and will not declare a strike until a ballot is taken and the majority of its members vote in favour of the strike ;
- (ii) the executive of the union meets at least once in three months and all resolutions passed by the executive and the general body are recorded in a minute book ;
- (iii) it agrees to permit an auditor appointed by Government to audit its accounts at least once a year, such audit being free of charge ; and
- (iv) its membership subscription is not less than four annas per month.

5. *Registration*.—For securing registration under the Act a union will be required to have had the minimum membership for a continuous period of three months only, instead of for six months as at present.

6. *Removal from register*.—The registration of a union will not be liable to cancellation unless the membership at the date of an application in that behalf has been continuously below the prescribed level for a period of not less than three months.

7. *Privileges of a union on the approved list*.—(i) Facilities for collection of union dues at a suitable place on the premises where wages are paid and at the time of the payment of wages, in accordance with the prescribed procedure.

(ii) Facilities for investigation and representation of grievances of its members in accordance with the prescribed procedure.

(iii) Permission to put up a notice board on the premises of the undertakings concerned for notices and communications addressed to the members of the union.

(iv) In the case of unions having insufficient resources, legal aid by Government at Government expense in important proceedings before the Industrial Court.

## II. REPRESENTATIVE OF EMPLOYEES.

1. "Representative of Employees" will mean :

- (i) a representative union in the case of all disputes in the industry ;
- (ii) failing (i) a qualified Union or a Primary Union, as the case may be, where the majority of employees directly affected by a change are members of such union ;
- (iii) failing (i) and (ii) the employees may—
  - (a) choose their elected representatives or the Labour Officer, or
  - (b) authorise a qualified or a primary union ;
- (iv) failing (iii) the Labour Officer will act on their behalf.

2. The Act now requires a fresh election of representatives under (iii) (a) in the case of every notice of change. It is now proposed to provide for periodic elections once a year. The representatives thus elected will be empowered to act during the period and until new representatives are elected.

3. In cases falling under para. 1 (iii) above, if the number of employees in an occupation does not exceed ten, there will be no election of representatives for that occupation. Such employees will be entitled to act for themselves and appear in any proceedings in person.

4. A Conciliator, a Conciliation Board or the Industrial Court may permit any individual, whether an employee or not, to appear in the proceedings, if such appearance is required for the proper discharge of the functions of the authority concerned.



### III. LABOUR OFFICERS.

1. The Government Labour Officers at present entertain complaints from workers in the textile industry and endeavour to remove them by an informal approach to the management. Statutory provision will now be made to enable the Labour Officers to function effectively for this purpose.

2. The scope of the Labour Officers' work in this connection will be extended to all wage earners in organised industry.

### IV. WORKS COMMITTEE.

1. Works Committees for different occupations and for an undertaking as a whole, will be set up (a) in all undertakings in an industry for which there is a Representative Union, (b) in the absence of a Representative Union, in those undertakings which have at least 15 per cent. of their employees as members of a qualified or a Primary Union as the case may be.

2. The union in each case will nominate members of the Committees and an equal number may be appointed by the employer, in the manner prescribed.

3. The Chairman will be elected and the work of the Committees will be conducted according to the prescribed procedure.

4. Any member of the Committee may bring up a proposal for a change. If no decision is reached or the majority decision does not satisfy either party, the matter can immediately go to a Labour Court or be seized by the conciliation machinery, as the case may be, without any further formalities.

5. No decision affecting the workers will bind them, unless it is endorsed by the union concerned.

### V. LABOUR COURTS.

1. Special Courts will be set up for quick disposal of—

- (a) all disputes regarding the application and interpretation of standing orders;
- (b) all disputes arising out of changes made by the employer for which a notice of change is not obligatory under the Act;
- (c) references regarding illegal strikes and lockouts and illegal changes.

2. Appeals to the Industrial Court will lie regarding points of law and against a Labour Court's decision about—

- (a) illegal strikes and lockouts,
- (b) illegal changes, and
- (c) interpretation of standing orders.

### VI. INDUSTRIAL COURT.

1. The original and appellate side of the work of the Industrial Court will be separated.

2. Provision will be made for the appointment of a full-time President of the Court.

3. An employer or an employee will be entitled to refer to the Industrial Court any point of law arising out of any proceedings under the Act.

### VII. STANDING ORDERS.

1. The workers will have a right to approach the Labour Court with any grievances arising out of the operation of the standing orders although the employer may have duly observed the prescribed procedure under the standing orders.

2. Provision will be made for maintaining a record of conditions of work and pay including the prevailing practices, usages and conventions in each establishment, and of industrial transactions and operations which may affect these conditions. Government will be empowered to obtain the necessary information for this purpose, the parties concerned being given an opportunity of being heard.

3. Standing orders once settled will not be liable to change except by reference to the Commissioner of Labour (subject to appeal to the Industrial Court).

#### VIII. DURATION OF PROCEEDINGS.

1. The period of 15 days at present required for the registration of a dispute after a notice of change is given will be reduced to seven days.
2. No notice of change will be necessary—
  - (i) if a letter from a union addressed through a Labour Officer remains unanswered for seven days, or if the reply given does not satisfy the union ;
  - (ii) if disagreement has been recorded in the minutes of the Works Committee.
3. The time limit for conciliation proceedings, which is two months, at present will be reduced to one month. Government will have the power to reduce it further in disputes or classes of disputes of an urgent nature.

#### IX. ARBITRATION.

1. The right to submit disputes to arbitration will be extended to the Qualified and the Primary Unions [*vide* I. 1. (B) and (C) above].
2. The power of Government to refer disputes to the arbitration of the Industrial Court will be extended to cover cases in which Government is satisfied—
  - (a) that settlement is not likely to be reached by other means, or
  - (b) that it is necessary in the public interest to make such a reference.

#### X. STRIKES AND LOCKOUTS.

1. No strike will be deemed to be illegal if the employees on strike resume work within 48 hours of a Labour Court declaring it to be an illegal strike.
2. An order of dismissal or discharge issued after a strike or lockout will be inoperative in the case of a legal strike or a lockout other than a lockout which is a sequel to an illegal strike.
3. The penalty for going on an illegal strike will be reduced from Rs. 25 to Rs. 10.

*Copy of letter No. 78, dated 6th July 1946, from the Association to the Secretary to the Government of Bombay, Political and Services Department, Bombay.*

I am directed to refer to Government Press Note, No. P-575, dated the 12th June 1946, containing a list of alterations, additions and principal changes, which Government propose to incorporate in the Bombay Industrial Disputes Act, and to the letter from the Commissioner of Labour, No. L.O.VI, 5459, dated 15th June 1946, inviting the Committee of the Association to express an opinion on Government's proposals.

At the outset, my Committee feel they ought to record their appreciation of the courtesy shown to them by the Hon'ble the Minister for Labour, who was good enough to send the Commissioner of Labour to meet representatives of the Association. The Commissioner of Labour clarified, to a certain extent, Government's proposals; nevertheless, my Committee were at a disadvantage when considering the amendments referred to in the Press Note, for Government will appreciate that a statement of amendments desired will not give that complete picture of the whole legislation, which a draft Bill alone is capable of giving, and which is so very essential for the submission of a well considered memorandum. The incomplete and vague nature of Government Press Note has rendered my Committee's task very difficult, and it is very likely that my Committee's reading of Government's intentions in respect of certain matters is not quite correct. There may also be, at the same time, matters arising out of the amendment, the implications of which, from the point of view of their repercussions on other sections of the Act, have not been given the consideration they deserve, and it is, therefore, suggested that Government's intentions in regard to the

Bombay Industrial Disputes Act as a whole, be codified in the form of a draft Bill, and forwarded to this Association and other interests concerned at a very early date. This procedure, if followed, would, it is thought, ensure that every point arising out of the amendment is examined from every relevant angle, and prevent the enactment of an imperfect piece of legislation.

Turning now to the amendments proposed, in the order in which they have been listed in the Press Note :—

#### I. TRADE UNIONS.

Government will, it is felt, readily appreciate that, in the absence of a definite indication as regards the scope, functions, and activities of the various types of unions envisaged, it is not possible to give a considered reply.

1 (A) My Committee consider that it would be extremely injudicious to reduce the percentage of membership from 25 to 15 in the case of a Representative Union. If it is desired that a trade union should be representative of workers in every sense of the term, then it should have a very substantial backing; otherwise, it becomes a question of a small minority ruling the majority. If, however, Government consider that, in order to encourage the formation and development of a healthy trade union, the qualifying conditions governing the grant of recognition under the Act require relaxation, then my Committee would have no objection to a reduction in the percentage membership from 25 to 15, *provided* such concession is granted only as an experimental measure, solely as a measure to encourage the formation and development of a union, and withdrawn when the circumstances under which it was granted no longer exist.

1 (B) This amendment is not clear. Perhaps the intention is to cut out "Recognised Unions" altogether, and to give some or all the privileges of Representative Unions to "Qualified Unions" also, even though they are not recognised by employers. If this is so, no comments are possible unless the rights and responsibilities of the proposed "Qualified Unions" have been indicated by Government. In any event, bearing in mind the fact that it is proposed to dispense with recognition by employers and to allow "Qualified Unions" to become Representative Unions also, 5 per cent. membership is too low. My Committee also desire to record their objection to "Qualified Unions" having the same powers as, or even wider powers than Representative Unions.

1 (C) My Committee are opposed to a multiplicity of unions. If, however, Government desire that unions of the type referred to should be allowed to exist, then they have the following observations to make :—

My Committee's reading of Government's proposals is that a primary union would be allowed to function in an individual mill only till it is displaced by a qualified or representative union. It might be that the primary union, which has been displaced, has been in existence in the mill for a considerable time, and has been in a position to give effect to the understandings reached by it with the employer concerned. If, according to Government proposals, this union were displaced by a qualified or representative union, then it might embarrass the employer for the reason that he would have to open negotiations with a union, which may have no standing at all among the employees of his mill. In the circumstances, my Committee feel that, where a primary union exists in a mill, which is recognised by the employer, and which is further capable of securing the implementation of all the agreements reached by that union with the employer concerned, then, that primary union should, for the purpose of all trade disputes arising out of that mill, be recognised as the union capable of functioning under the Act.

3. Reading paragraph 3 in conjunction with paragraph 4 (iv), there is some difficulty in understanding Government's intentions. So far as a union is concerned, the first step in the ladder of promotion is to get on the "Approved List." This can be done only if, among other things, membership subscription is four annas a month. The next step is for the union to be declared either as a Primary, Qualified or Representative Union according to its membership, and when that stage is reached, it seems that its membership subscription may be reduced to two annas a month.

4. *Approved List.*—This clause suggests that, where a union straightway achieves the status of a Representative, Qualified or Primary Union, without having to observe the formality of being on the Approved List, then the conditions laid down in the clause would not apply to it. If this reading is correct, then, my Committee would like to make it clear that the conditions laid down in the clause should apply to all unions of whatever status in the Act, without any distinction whatsoever.

Turning to the conditions listed in this paragraph, sub-paragraph (1) is not clear, but it is thought that it should be made quite clear that the union rules must definitely prohibit strikes before all methods of negotiation and conciliation have been exhausted, and that, even if a strike had to take place, adequate notice thereof should be given to the employers.

It is not clear what majority Government have in view. As a strike involves a very large number of workers, it is absolutely necessary that it should not be resorted to unless at least 75 per cent. of the members of the union attend a meeting duly convened for the purpose, and until 66 $\frac{2}{3}$  per cent. of the votes cast at the meeting are definitely in favour of a strike.

This, my Committee feel, is the appropriate place for them to draw Government's attention to the danger of fixing percentage of membership qualification at as low a figure as 15 in the case of Representative Unions, and 5 in the case of Qualified Unions. Bombay City cotton mills employ to-day 220,000 workers, 15 per cent. of this figure would be 33,000. 75 per cent. of this figure would be 24,000, and it would be obviously unfair to authorise this 24,000 to involve the total working strength of 220,000 in a general strike. In the absence of a Representative Union, a Qualified Union, which will hold the field, would be able to declare a general strike with even a less voting strength as compared to the total number of textile workers in Bombay. This state of affairs should, it is strongly felt, be set right by Government laying it down that no union should declare a strike without calling upon Government to hold an independent and secret ballot of all workers in the undertaking or undertakings concerned, who are likely to be directly or indirectly affected by the stoppage, and the strike should not be called unless a minimum of 75 per cent. of the workers concerned actually vote and unless 66 $\frac{2}{3}$  per cent. of those who are present, record their votes in favour of the strike.

Government have not indicated the manner in which strike ballots should be conducted by unions. Perhaps, these would be covered by the Rules under the Act, but, whatever the position, it is desired to point out that sufficient statutory safeguards should be devised to ensure that adequate facilities exist whereby workers could vote according to their individual convictions.

5. *Registration.*—The procedure followed in connection with registration of unions for purposes of this Act seems to require overhauling to ensure :—

- (a) That the employer and the employers' association of the locality are informed of the application for registration as soon as it is received by the Registrar ;
- (b) That all reasonable information required by the said employer and the employers' association is given by the Registrar, if necessary by calling for the same from the applicant union ; and
- (c) That the employer and the employers' association concerned are given reasonable opportunities of being heard if they so desire, before the application for registration is granted.

6. *Removal from Register.*—My Committee presume that this provision is in addition to, and not in lieu of, the provisions of existing section 9 of the Act.

7. *Privileges of a Union on the Approved List.*—(i). My Committee are strongly opposed to the requirement regarding " facilities for collection of union dues at a suitable place on the premises where wages are paid and at the time of the payment of wages, in accordance with the prescribed procedure." The mill premises are the employer's private property, and my Committee would deprecate any suggestion, which seeks to confer by statute any rights whatsoever on third parties in such premises.

Another ground on which my Committee desire to oppose sub-paragraph (i) of paragraph 7, is that the multiplicity of unions envisaged in the new legislation is very likely to result in more than one union applying for membership in the same mill, and the privilege of collecting union subscription within the mill compound, if conferred on the unions by statute, would lead to rivalry among the partisans of the unions concerned, resulting in serious breach of the peace and dislocation in mill routine.

This is what the Pearson Committee, which reported in 1929, said on the question of collection of subscriptions within the mill premises :—

“From one point of view it may no doubt tend to disorganise work in some degree, in that substitutes are provided for members of the Mill Committee who do the collections in each department. It may also tend to create trouble and affect discipline and efficiency particularly where it is a case of rival unions canvassing for subscriptions. Evidence has been led before us by the witnesses called by the Girmi Kamgar Mahamandal which goes to show that in the matter of collecting subscriptions, coercion has been practised by collectors upon members of another union.”

A worker's adherence to a particular union must necessarily follow from his own realisation of the benefits of collective bargaining and his faith in the principles followed by that union. In other words, membership must be on a voluntary basis, absolutely free from any external influences, which operate to force the worker to become a trade union member when left to himself, he would not have become one, or to join a particular union, which he would not have joined if he were to exercise his own free will. Collection of subscription in mill premises is calculated to embarrass those workers, who do not want to join a trade union in the sense that they can be easily singled out for attention by union officials.

7 (ii). Apart from the fact that Government's intentions are not clear, the suggested powers seem to be unnecessary. In the interest of peace in the industry and the maintenance of harmonious relations between the employer and the employee, any employee, who has a grievance connected with his employment, should be encouraged to approach the employer in the first instance, and failing him, the Government Labour Officer. This, which in fact is the current practice, has yielded very good results as is evidenced by the great reduction in the number of complaints recorded by the Government Labour Officer, should be continued, and my Committee do not see why a union should at all come into the picture and be given the facilities proposed by Government.

7 (iii). The proper place for putting up union notices is the union office. Here again, it must be pointed out that, if the union adopts strictly trade union methods, the employer might, of his own free volition, be expected to grant the facility asked for. My Committee regret their inability to comment further upon his provision as the nature of the notices and communications which are required to be put up is not specified in the paragraph concerned.

## II. REPRESENTATIVE OF EMPLOYEES.

1. *“Representative of Employees.”*—The views expressed by my Committee in connection with paras. 1 (A), 1 (B) and 1 (C) of Chapter I, apply to this paragraph also.

2. *Election of Representatives.*—My Committee desire to object to Government's proposals on the following grounds :—

- (a) If the object underlying the proposal is to secure the speedy disposal of an intimation of change given by a worker, then even if elected representatives were to hold office for one year, the problem would not be solved due to frequent absence of elected representatives from their place of work in Bombay.
- (b) Disputes are of various kinds and on different grounds. A set of workers elected as representatives for one dispute need not necessarily represent the ideal selection for the succeeding dispute which may be on a different issue altogether, and my Committee cannot agree to the idea of one set of elected representatives being forced on the workers for all disputes occurring in the year.

- (c) The appointment is likely to be interpreted by the workers as an open invitation to them to send frequent notices of change, and, in fact, the elected representatives are likely to encourage it inasmuch as it is calculated to help them to establish themselves with the workers, and enhance their reputation, putting the mill to no small inconvenience.

4. The very object of conciliation proceedings is to bring about reconciliation between the parties by narrowing down their differences as far as possible. In this view of the case, the people concerned are the parties themselves, and the Conciliator or the members of the Board of Conciliation as the case may be. Where the parties themselves feel genuinely that the services of a specified outsider might enhance the prospect of a settlement, there can be no serious objection to the presence of the latter, *provided both the parties agree*, but in all other cases, outsiders should not be permitted, as their presence is calculated to bring in extraneous issues into the dispute, thus prolonging the negotiations.

The conciliation proceedings so far conducted under the Bombay Trade Disputes Conciliation Act of 1934, and the Bombay Industrial Disputes Act of 1938, have all been held *in camera*, and no case has arisen, where there is room for the inference that the presence of an outsider might have accelerated the proceedings or helped in the settlement. If the workers are not represented by unions, the Government Labour Officer is there to act on their behalf and to assist them in placing their case before the Conciliator, and my Committee do not see what further provisions are necessary in this connection.

### III. LABOUR OFFICER.

1. My Committee are unable to express themselves freely in this matter as Government have not given them any lead as to the precise nature of the powers proposed to be given to the Government Labour Officer. They would, however, have no objection to specific powers being given to the Labour Officer, if they do not go beyond the provisions of the Bombay Trade Disputes Conciliation Act, 1934.

### IV. WORKS COMMITTEE.

My Committee are opposed, in principle, to Works Committee being established in mills. In this connection, I am desired to draw attention to the following extracts culled out from the Report of the Pearson Court of Inquiry published in 1929. This is what the Inquiry Committee said in reference to the activities of Works Committees in mills set up under the auspices of the Girni Kamgar Union in Bombay in the year 1928-29 :-

*Para. 32.* "The interference by the members of the Mill Committees with the management was subversive of discipline and the lightning strikes which were brought about by these members were not such as could be tolerated by the millowners.

*Para. 38.* "The strike was considered to be the first weapon to be used at each and every turn by any member of the Mill Committee instead of its being the weapon to be used in the last resort after due deliberation by the executive of the union after consulting the wishes of the workers.

It will thus be seen that the Mill Committees were functioning unconstitutionally and their members individually were indulging in unwarranted interference with the working of the mills."

Nothing has happened since the Pearson Committee reported in 1929, which justifies the hope that conditions have appreciably changed, or that the workers are to-day in a better frame of mind. Until, therefore, workers themselves show unmistakable evidence of their having understood the real functions of these Works Committees, and of their genuine desire to co-operate with the management in dealing with complaints from workers, the proposal should not be considered at all, in view of the dangerous and costly nature of the experiment.

As my Committee are opposed to the establishment of Works Committees, they are not commenting on the other proposals incorporated in Chapter IV.

## V. LABOUR COURTS.

1. Government have given no indication whatsoever as regards the composition of Labour Courts, qualifications of the presiding Judge and of the other Judges if any, but it is hoped that the presiding Judge will not be an Officer below the rank of the Chief Presidency Magistrate, and that the interests concerned will be given sufficient opportunities of examining, in draft, the Rules which the Courts proposed to follow in the disposal of matters referred to them from day to day. My Committee are not also clear as regards the number of Labour Courts which Government proposed to set up in Bombay and other centres, and the procedure which Government proposed to follow in allocating work between the various Courts if more than one Court were to function.

1 (a). This clause, which empowers Labour Courts *inter alia*, to dispose of all complaints regarding "the application and interpretation" of Standing Orders, is not very clear. In any event, my Committee consider that the Labour Court should concern itself only if the worker feels that the Standing Orders have been misinterpreted by the management. The case here is one of an illegal change.

1 (b). Similarly, this clause, which entitles Labour Courts to dispose of disputes arising out of "changes made by the employer for which a notice of change is not obligatory under the Act," is not also clear. Schedule II of the Bombay Industrial Disputes Act contains a list of industrial matters in respect of which no change shall be made by an employer without going through the formality of the conciliation procedure prescribed in the Act. No notice of change by the employer is required in regard to matters not specifically covered in this Schedule, and in devising Schedule II, Government accepted the industry's contention that there were several matters in respect of which the employer could not be expected to wait till he has completed the conciliation procedure, without greatly impairing the efficiency of the undertaking, and the Schedule, therefore, covered all such matters where Government thought the employer should not be permitted to make a change without giving notice thereof. My Committee desire to point out that, if the employer desires to make a change on an industrial matter not at present incorporated in Schedule II, the operatives could have no grievance about it, nor can there be an industrial dispute. If, however, Government want such changes to be brought up before the Labour Courts, industrial efficiency would suffer, which would be defeating one of the fundamental objects underlying the limitation of Schedule II to certain specified purposes only. If Government, however, feel that the present position is unsatisfactory, then the situation could be met by adopting one of the two proposals elaborated below :—

- (a) Maintain Schedule II as at present, but specify the particular changes by the employer in respect of which it would be open to the employee to go to a Labour Court.
- (b) Amend Schedule II, incorporating those additional changes in respect of which, in Government's opinion, the employer should give a notice of change.

2. *Industrial Courts.*—My Committee have no observations to make except that if their suggestion under 1 (a) is not acceptable, there should be an appeal against the Labour Court's decision to the Industrial Court, both in respect of application as well as of interpretation of Standing Orders, though my Committee still feel that disputes regarding application of Standing Orders should not be brought before Labour Courts.

## VII. STANDING ORDERS.

1. Once the Standing Orders are settled in accordance with the procedure laid down in the Act, there cannot be any grievance arising out of their operation. If any operative desires a change in the Standing Order as settled, the Act provides the remedy which, my Committee feel, should be followed, and there is no point in the worker going to the Labour Court for it. The Labour Court should concern itself only if, in the worker's view, the Standing Order has not been complied with by the management or that the employer has acted in contravention of the Standing Orders.

2. My Committee are unable to understand what is meant by "a record of conditions of work and pay including prevailing practices, usages, and conventions in each establishment and of industrial transactions and operations which may affect these conditions." A record

of the nature indicated by Government, let alone the meaning of the expressions used in the paragraph, would be impossible to compile. Custom and usage is a question of proof, and no record is necessary.

3. My Committee do not see the need for any change in the existing procedure in the matter of the amendment of the Standing Orders; in any event, there is no indication in the Press Note of the reasons for the change proposed.

#### VIII. DURATION OF PROCEEDINGS.

2 (i) It is suggested that the time limit laid down be raised to 15 working days.

2 (ii) My Committee have already recorded their strong objection to the Works Committee.

#### IX. ARBITRATION.

The provisions of this chapter are not very clear, and my Committee do not understand as to whether and, if so, in what respects they supersede or supplement the provisions of existing section 49A of the Bombay Industrial Disputes Act.

If Government are advocating compulsory arbitration as a peace-time measure and as an ordinary means of dealing with industrial disputes, my Committee desire to record their most emphatic objection to it. Compulsory arbitration may work satisfactorily as a war-time measure, but as the war is now over, it should not be resorted to as a means of settling ordinary industrial disputes.

Compulsory arbitration presupposes the existence of a very high degree of organization among the parties with responsible and reasonable executives who are capable of speaking on behalf of their respective constituents, and who are also in a position to secure endorsement and acceptance by their respective membership of an award following arbitration proceedings. So far as labour is concerned, it can be stated, without any fear of contradiction, that there is no union to-day which can enforce the award of an arbitrator on its membership, nor is there any provision which enables Government to secure effective enforcement of an arbitrator's award on workers.

The essence of my Committee's suggestion is that since section 49A is already in the Statute Book, it should be allowed to remain there to be utilised as an emergency measure and in the circumstances specified therein, but in all other cases, there should be no compulsion whatsoever on the parties to refer the dispute to arbitration.

My Committee would have liked to deal with this particular issue in greater detail, but they have no desire to prejudice the issue when the details of Government's proposals are not before them.

#### X. STRIKES AND LOCKOUTS.

Government's intention in regard to strikes and lockouts are not very clear. Apart from this, though the heading of the paragraph contains the expression "lockouts," my Committee do not see any reference to it in the proposals listed in the chapter.

My Committee's understanding of Government's proposals is that it is fraught with serious consequences. There have been many illegal strikes in Bombay, in the past, and if Government's proposals were incorporated, as they are, it would worsen the situation. What is wanted to-day is some means whereby lightning strikes could be eradicated completely, but far from legislating to prevent lightning and sporadic strikes, Government seem to be inviting them and considering proposals for reducing the penalties attached to them.

1. This paragraph states that no strike shall be deemed to be illegal if the employees on strike resume work within 48 hours of a Labour Court declaring it to be an illegal strike. The effect of this suggestion may be illustrated by the following example :—

A lightning strike takes place in a mill, say on 10th June. Application is made to the Labour Court on the 11th June. Case disposed of by the Labour Court on the 12th June. Judgment announced by the Labour Court saying that it is an illegal strike, on 14th June.



In the above case, the strike would not be illegal if the operatives came back to work before the evening of the 16th June. In other words, though the operatives were on strike for a period of six to seven days consecutively, it will not become illegal. Further comment is needless; my Committee only desire to express the hope that it is not Government's desire to encourage such strikes. According to Government, a strike will be deemed to be illegal for purposes of the Act, not from the date of a declaration to that effect by the Labour Court, but 48 hours after such declaration, if the operatives failed to resume work. In other words, Government propose to give a very wide latitude to the workers to go on strike as they please, await the decision of the Labour Court, and avoid the consequences of such a decision by returning to work within 48 hours thereof. A strike, in my Committee's opinion, should be illegal on the basis of the facts and the circumstances under which it took place, and from the date on which it took place, and should never be made to depend on the workers' reaction to the Court's decision. The law should ban illegal strikes, and provide suitable penalties for it. Having commenced an illegal strike, it should not be made possible for workers to evade the penalties attached to it by returning to work.

Para 2 is not clear, but my Committee hope Government have no intention of making any order of dismissal or discharge issued after a strike, regardless of the ground, illegal. If that were the intention, no order of discharge or dismissal issued by a Mill Manager after a strike, for any offence would be valid. My Committee are not making further comments on this provision; nevertheless, they feel that Government's proposals in this regard should be made known to the interests concerned before the Bill is introduced in the Assembly.

My Committee feel that they should at this stage mention that disciplinary action is taken by the management every time a lightning strike takes place in contravention of the provisions of the Bombay Industrial Disputes Act regardless of the fact that a declaration of the strike as illegal is secured from the Industrial Court at a later stage. The employer cannot, in the interest of industrial efficiency and law and order in the mills, be expected to wait till a declaration from the Industrial Court or Labour Court as to the legality of the strike, is secured. If, however, the strike is not declared by the Court concerned as illegal then the employer runs a risk, and amends will have to be made for it, but that is the lesser evil, taking into consideration the consequences, which are likely to accrue if action in respect of indiscipline had to be postponed till the Court gave its decision.

3. My Committee have no comments to make except perhaps to point out that, by reducing the penalty, they are encouraging illegal strikes.

In conclusion, I am desired to point out that, as the Bill envisages far-reaching and important changes in the Bombay Industrial Disputes Act affecting the fundamental rights of the employer, my Committee sincerely trust that it will be possible for Government to send to the Association and the other interests concerned, a copy of the draft Bill outlining all the amendments which Government desire to introduce, so that the whole question may be considered by my Committee in detail.

*Memorandum dated 17th September 1946, containing amendments proposed in the Bombay Industrial Relations Bill, 1946, by the Committee of the Millowners' Association, Bombay.*

#### CHAPTER I.

Clause 3 (17) : "Industrial matter."—It is suggested that the word "non-employment" in sub-clause (a) be deleted, and the word "discharge" inserted therefor.

It is also suggested that the sub-clause (d) be deleted entirely.

The object of the first amendment is that the expression "non-employment" has a much wider meaning than what is perhaps intended by Government. It is presumed that Government desire to bring within the scope of sub-clause (a), only matters pertaining to the dismissal or discharge of any person.

The reason for seeking the deletion of sub-clause (d) is that it is too vague, and perhaps covers matters which do not strictly come within the scope of the Industrial Relations Bill. If, however, Government are not willing to delete sub-clause (d), then it is suggested that

the words "of the person immediately concerned and of the community as a whole" be deleted, and the words "of the industry or the individual undertaking" be inserted.

*Clause 3 (38): "Wages."*—The existing Bombay Industrial Disputes Act of 1938 does not define the expression, but the definition used in the Payment of Wages Act, which is appropriate legislation for all matters connected with wages, has been accepted. In the circumstances, it is suggested that no definition of the expression "wages" be included in the Bill. If, however, a definition has to be included, then that definition must follow the Payment of Wages Act.

## CHAPTER II.

*Clause 7 (2).*—The Association is opposed to the inclusion in the Board of persons who are not in the panel.

*Clause 9.*—The constitution of the proposed Labour Courts has nowhere been laid down. Even in the rule-making powers of Government, mentioned in clause 123, there is no reference to Labour Courts. In the circumstances, it is suggested that a sub-clause should be added to clause 9 describing the constitution of the proposed Courts, the qualification of the judge or judges, etc. The Association's view is that the President of the Labour Court should not be a person below the rank of a First Class Civil Judge or a Small Causes Court Judge.

*Clause 10: "Industrial Court."*—The Association is definitely opposed to the proviso to clause 10, and cannot agree to the employment of a person who does not possess the qualifications laid down in sub-clauses (3) and (4), as a member of the Industrial Court. If, however, Government desire to associate with the Court a person who, in the opinion of Government, possesses expert knowledge of industrial matters, then that person must be one who has no connection whatsoever with the industry or with the trade union or labour movement. In any event, it is very doubtful whether it would be possible to find a person having expert knowledge of matters connected with all industries.

## CHAPTER III.

*Clause 11 (Recognition of undertakings and occupations).*—It is suggested that the Registrar's decision should be appealable to the Industrial Court.

*Clause 20 (Appeal to Industrial Court from order of Registrar cancelling registration).*—This clause should be amplified to include appeals against action taken by the Registrar under clause 11.

*Clause 22.*—This clause is vague. In any event, the Association's view is that the mere fact that a union has members in more than one notified area, should not justify the Registrar registering it for more than one area. Some minimum qualifying membership in the new area should be laid down, and the employers in the new area should be given an opportunity of being heard before registration is granted.

## CHAPTER IV.

*Clause 23 (1).*—The Association strongly suggests the deletion of the words "and where there is no registered union, etc." upto and including "any other union for such industry" occurring in this sub-clause. Having brought into existence a new class of unions termed "Approved Unions," there is no point in Government granting certain rights which they propose to confer on "approved unions," to "other unions in the industry." The expression "other unions in the industry" perhaps refers to unions which may have been registered under the Trade Unions Act of 1926, but may not have any status whatsoever under the Industrial Relations Bill. The idea underlying the present legislation is that Government apparently believe that registration of a union under the All-India Act is not all that is necessary to promote the development of healthy unions, and that something more should be done; accordingly this Bill makes certain proposals to give certain privileges to unions registered under the 1926 Act provided they conform to certain formalities prescribed under the Industrial Relations Bill. In this view of the case, therefore, any union registered under the All-India Act should first of all comply with the provisions of the Bombay legislation, before qualifying itself for any of the privileges conferred on unions under this legislation.

*Clause 23 (1) (ii).*— The expression “less” occurring in this sub-clause be deleted and the word “more” be inserted therefor.

*Clause 23 (1)— Proviso.*— The Association suggests the entire deletion of the proviso. There is no justification for any exemption being made from the provisions of clause 23, especially with reference to subscriptions.

*Clause 23 (2), (3) and proviso.*— The Association suggests their entire deletion.

*Clause 24.*— The word “may” occurring in the preamble to this clause should be deleted, and the word “shall” should be inserted therefor. The reason for this suggestion is that, where the Registrar is satisfied that a union was entered in the “approved list” under a mistake, misapprehension, fraud, etc., then the removal of the union concerned from the approved list should follow as a matter of course.

*Clause 25.*— The Association suggests the deletion of sub-clauses (a) and (c); the limitation of sub-clause (b) to matters arising out of any particular dispute; and the deletion of sub-clause (d).

The Association is, however, willing to recommend members to collect union subscriptions, if the registered union would supply the employer concerned, every month, with a list of its members working in the establishment of the employer. The registered union would also have to forward a letter of authority signed by the employee concerned authorising the employer to deduct his union subscriptions from his wages. Deductions for union subscriptions from the employees’ wages should also be legalised under the Payment of Wages Act. Another point which also requires to be brought up in this connection is that it should be specifically limited to union subscriptions only.

A further suggestion in connection with clause 25 is that the sub-clause (e) be limited to putting up purely notices calling meetings of the union, provided such notices are shown to and approved by the mill manager in each case.

*Clause 26.*— The Association is opposed to the principle underlying the grant of legal aid to approved unions.

#### CHAPTER V.

*Clause 27 (1) (b).*— The Association strongly feels that the circumstances under which the Provincial Government may cancel any recognition granted to an employers’ association, should be laid down in the Act itself. It should be further laid down that, before cancelling recognition, the employers’ association concerned should be given an opportunity of being heard. Another suggestion which the Association desires to make in this connection is that a further provision should be made for appeal against Government’s decision, to the Industrial Court and/or to the High Court.

*Clause 28 (1).*— This clause, read in conjunction with clause 30 (2), gives the impression that all the employees in the industry would be required to select five representatives, who will represent the former for purposes of the Act in the prescribed manner. Clause 30 (2) states that “where all the employees in the industry are affected, etc., etc., if there is no representative union for such industry,” the representative entitled to act shall be determined in the prescribed manner.”

The Association’s understanding of the situation is that the five representatives of the industry elected under the provisions of clause 28 (1) would not be competent to represent the employees in a matter falling within the provisions of clause 30 (2). If this is so, then the Association would like to object to the proposals on the ground that no useful purpose would be served by brushing aside the elected representatives of workers employed in the industry under clause 28 (1), in an emergency falling under the provisions of clause 30 (2).

My Committee presume that there is a typographical error in clause 28 (1), and that the intention of Government is that the employees of every undertaking in the industry should elect five representatives. For example, in Bombay where there are 65 mills, the employees of each mill would be asked to elect under this clause five representatives, and there will, therefore, be  $65 \times 5 = 325$  representatives. If there is an issue affecting the whole of the industry, and if there is no representative union, these 325 representatives would be asked to

elect five from among them to represent them, and also the other employees of the industry. If this is the intention, then the Association has no objection to it, but the point should be made quite clear in clause 28 (1) and clause 30 (2).

*Clause 30 (1) (Representative of employees).*—Sub-clause (ii) entitles a qualified or primary union, the majority of the members of which is directly affected by the change concerned, to represent employees. The practical application of this sub-clause is likely to be difficult unless the union concerned or some officer of Government checks up in each case with a view to find out whether the majority of the members of the union are affected by the change.

*Sub-clause (iii).*—Here again, the exact procedure to be followed by the employees concerned in "authorising" a qualified or primary union to represent them, is not laid down. If a proper procedure is not laid down, it is very likely that the provisions of this clause would be misused. The same remarks also apply to sub-clause (iv) where the Labour Officer is entitled to represent the employees concerned if authorised by them.

*Clause 32 (Persons who may appear in proceedings).*—The duty of a Conciliator or a Board of Conciliation is to bring about reconciliation between parties by ironing out their differences, and if the parties feel that the presence of an outsider is necessary, they may be expected to make a request accordingly to the Conciliator or the Board, but there seems to be no point in the Conciliator or the Board as the case may be, forcing somebody on the parties whether they liked him or not.

*Clause 32 (2).*—The same remarks also apply to this clause, and there should be no question of an outsider being brought in except at the joint request of the parties.

#### CHAPTER VI.

*Clause 34 (2).*—After the words "at any reasonable time" occurring in the preamble to this clause, the words "and after giving reasonable notice" should be inserted; and instead of the words "which he may deem necessary," the words "which are necessary" be inserted.

*Clause 34 (4).*—The words "and may also affix such notice himself" be deleted.

*Clause 34 (6).*—The Association suggests the deletion of sub-clauses (b) and (c). It sees no point in investing the Government Labour Officer, who is an advocate of labour, with these powers. If labour really had a grievance, a notice of change would have followed. The sub-clauses in question are calculated to lead the imaginary grievances of workers being placed before Government.

Another point which has to be made in this connection is that, where a representative union exists, the labour union shall not be entitled to act in any capacity whatsoever.

#### CHAPTER VII.

##### *Standing Orders.*

*Clause 35 (2).*—This clause corresponds to sub-section (2) of section 26 of the Bombay Industrial Disputes Act with certain minor changes. The Association prefers the retention of the phraseology of the Bombay Industrial Disputes Act.

*Clause 35 (4).*—The Association suggests that the following words be added at the end of the clause :—

"or after ten days from the decision of the Commissioner of Labour, whichever is earlier."

*Clause 36 (4).*—The Association objects to the Industrial Court being empowered to fix the date on which all or any of the Standing Orders shall come into operation, as that might create complications, for according to another clause, Standing Orders are not liable to be altered for a period of six months from the date of their introduction, and if different clauses of Standing Orders were introduced on different dates, confusion is likely to arise and Government, the employer and the employees would have to keep a record of the date of introduction of each clause of the Standing Orders with a view to ensure that the Act is not contravened in any respect.

*Clause 40 (2).*—The Association strongly feels that this clause should be deleted entirely. If Standing Orders are determinative of the relations between employers and employees, then there is no point in referring the propriety of any action taken under the Standing Orders to any Court whatsoever.

## CHAPTER VIII.

### *Changes.*

Before dealing with their criticisms of individual clauses, the Association would like to make one general observation on the superstructure of the Bill, so far as changes in industrial matters are concerned.

The procedure followed at present is that certain matters covered by Schedule I of the Bombay Industrial Disputes Act have been dealt with in the Standing Orders settled by the Commissioner of Labour and the Industrial Court. These Standing Orders lay down the rights, obligations and liabilities of both the parties under the Act in so far as the items covered by Schedule I are concerned. If either the employer or the employee desires to make a change in the Standing Orders, then that could be done by a notice of change and invoking the conciliation proceedings. The dispute may be referred to a Board of Conciliation or even to the Industrial Court under section 49A of the B.I.D. Act.

The employer is not required to give any notice of change in respect of any matters not covered by Schedules I and II. In matters covered by Schedule II, he has to give a notice, and the matter goes to conciliation. If he made a change in respect of matters not covered by Schedule II, then the operatives would be justified in giving him a notice saying that they object to the change made by him, though that was outside the scope of Schedule II.

If an employee wanted a change in any industrial matter whatsoever, he had to give a notice of change, and conciliation proceedings has to take place.

The point to remember, however, is that, from the point of view of the employer and the employee, the present Act only insists upon compulsory negotiation and conciliation, and when this process has been complied with, the parties are free to follow their own course. If an agreement results from the negotiation and conciliation, then the terms of that agreement are given effect to, but if there is a break, then the employer is at liberty to impose the change he wanted within a period of two months from the completion of the conciliation proceedings, and the employees on their side would be justified in going on a strike within the time limit laid down, subject, of course, to Government's right to refer the matter to the Industrial Court under section 49A.

The new Bill, however, cuts new ground. First of all, it must be pointed out that the Standing Orders can be changed at six-monthly intervals on the initiative of an employer or an employee. (Please see clause 37.) This is calculated to lead to an application for a change in the Standing Orders every six months.

An employer intending to effect any change in respect of any matter covered by Schedule II, has to give a notice of change. This is done even at present, but the Bill goes further in the sense that subjects in respect of which notices are required to be given by the employer or employee are limited to matters covered by Schedule II.

An employee who wants a change in respect of any matter where the employer is not compelled to give a notice of change, is entitled to give a notice of change by making an application to the Labour Court (please see sub-clause (4) of clause 42). The propriety and legality of an Order passed by the employer under the Standing Orders is proposed to be referred to the Labour Court at the instance of an employee.

The local Government is entitled to declare that any notice of change given by any party, applies to the whole of the industry, and they may either appoint a Board of Conciliation or refer the matter to the Industrial Court, etc. In other words, the new Bill reduces, to a very considerable extent, the scope for direct negotiation and conciliation between the parties, and, with the Board of Conciliation, the Labour Court, and the Industrial Court in the background, neither the employer nor the employee would be in a mood to come together and settle matters by a free and frank exchange of views. This, in the view of the

Association, sits at the very root of the trade union movement, which cannot be fostered until the parties are given every encouragement to come together and discuss matters. The local Government coming in at every stage, or having the powers to come in at every stage, is likely to have a demoralising effect on direct negotiations, or is likely to encourage intransigence, which the Association feels should be avoided at all costs. The Association can understand Government's desire to prohibit strikes under all circumstances, but no physical force which Government can marshal on their side will end lightning strikes, and it will be impossible to take action on everybody who is guilty of having encouraged, incited, taken part in, or abetted an illegal strike.

*Clause 42 (4).*—The Association recommends the deletion of this clause. If, however, Government still desire to retain it, then it must be provided that an employee who desires a change in respect of which it is not obligatory on the employer to give notice, should give a notice of change as usual, and invoke the conciliation proceedings laid down in the Act. He should not be encouraged to go to the Labour Court.

*Clause 43 (1).*—The Association desires to make two points in connection with this clause: firstly, the right to make a general issue of a notice of change given under subsection (1) of section 42, should be granted only to a Representative union and not to "the representative of any employees engaged in the industry, etc." The reason underlying our suggestion is that, unless the power to make a general issue of a dispute is conferred on a Representative union or a responsible body, minor issues which have no bearing on the industry as a whole in any local area, are likely to be converted into a general issue and ultimately referred to the Board of Conciliation or Industrial Court, etc.

*Clause 43 (2).*—For the reasons given in clause 43 (1), the Association suggests that the right to make a general issue of a notice given by an employee should be conferred on an employers' Association and not on an individual employer.

*Clause 43 (5).*—The Association suggests that this sub-clause be deleted. There should be no question of Government declaring on their own initiative, that a proposed change affects the whole industry or occupation as the case may be, in any local area, except at the request of both the parties. If the parties do not ask for it, then Government might hold over till the proposed change assumes an "industrial dispute" at which stage Government would have the powers to refer the matter to the Industrial Court.

*Clause 44 (1)—Proviso.*—The Association is also opposed to the proviso in principle on the grounds set forth against clause 43 (5).

*Clause 45.*—The Association suggests that the words "whichever date is earlier" be added to the clause.

*Clause 46 (2).*—The Association suggests the insertion of the following words after the word "operation" where it occurs for the first time in the sub-clause:—

"or where no settlement is reached, before the conciliation proceedings are completed."

## CHAPTER IX.

### *Joint Committees.*

The Association is opposed in principle to the institution of Joint Committees in industrial undertakings, and does not, therefore, propose to offer any views on clauses 47 to 52 inclusive.

## CHAPTER X.

### *Conciliation Proceedings.*

*Clause 54.*—The Association has no objection to this, but it desires to emphasise that, though the expression "industrial dispute" may cover disputes between employees and employees, there is no provision for conciliation and/or arbitration in such disputes in the present Bombay Industrial Disputes Act. Perhaps this was done advisedly, for disputes between employees and employees are of a domestic nature, and should be settled without the employer being brought in in any stage or in any connection whatsoever.

The Association foresees grave practical difficulties in giving effect to the clause, for in a case where a representative union exists, that union would have to ask Government for conciliation on behalf of members of the union with employees who are not members of the union.

*Clause 55.*—The Association desires that the Conciliator's decision to refuse to enter a dispute in the Register should be appealable to the Industrial Court.

*Clause 56 (2).*—The Association suggests the deletion of the words "or for any other reason" at the end of the clause.

*Clause 57 (2).*—The Association agrees that the Chief Conciliator might issue general directives, but this should not be in connection with individual disputes. In cases where directives concerning individual disputes are given, the employers and the employees concerned in the dispute should be informed of such directives.

*Clause 58 (5).*—The Association suggests the deletion of this clause, as in their opinion it is unnecessary in view of the wide powers already proposed to be conferred on Government in referring any industrial dispute to arbitration.

*Clause 61.*—The Association suggests that this clause might be slightly amended to provide that the reference to the Industrial Court may be on the initiative of the Conciliator, Board of Conciliation or at the request of the parties.

*Clause 62 (1).*—This clause requires amendment to provide that the general or special order issued by Government under this clause, be published in the *Government Gazette*. In this connection, it may be pointed out that the Industrial Court recently expressed the same view.

## CHAPTER XI.

### *Arbitration.*

*Clause 72.*—This clause should be read in conjunction with clause 95.

The Association strongly feels that this clause should be deleted, and the consequential amendments be made in the other clause indicated. If Government are to be given powers to refer disputes between employees and employees to arbitration, then Government should be clear in their minds as to who, for instance, are the parties. The award of a Labour Court or Industrial Court is binding only on those who are made parties to it, and it is of very great importance that the parties to such reference should be settled. It has been pointed out in an earlier paragraph (*vide* remarks against clause 54) that the employer should not be brought in in a dispute between employees and employees, but from the point of view of practical politics, it would be impossible to keep him out. The following example is given to illustrate the point:—

Suppose the day shift workers of a mill ask for the dismissal of a jobber, whereas the night shift workers ask for his retention in service. This would normally be a dispute between employees and employees, but the employer would be dragged in by being summoned to the Court, and the award would be made binding on him under the provisions of clause 95 (b).

The Association, therefore, strongly feels that this clause should be deleted. In case Government desire to retain it, then the employer should, on no account, be brought into it.

*Clause 73.*—The Association suggests the entire clause being deleted, and section 49A of the Bombay Industrial Disputes Act being taken in *en bloc*. The Association's objection to sub-clauses (2) and (3) of clause 73 is that sub-clause (2) encourages intransigence, and sub-clause (3) is already covered by sub-clauses (a), (b) and (c) of clause 73 (1).

## CHAPTER XII.

### *Labour Courts.*

*Clause 79 (Powers in exercise of ordinary jurisdiction of Labour Courts).*—The Association's observations are as under:—

Firstly, sub-clause (a) be entirely deleted for the reason that it seeks to vitiate the finality of the Standing Orders.

Secondly, the idea underlying Schedule II is to lay down or specify the changes which shall not be given effect to by the management without giving a notice of change. It follows, therefore, that in respect of changes not falling within the scope of Schedule II, the employer should have a free hand; and there is no point in bringing these matters to the Labour Court. It has already been brought out in an earlier paragraph that, if an employee desired a change in any industrial matter whatsoever, he must give a notice of change, and conciliation proceedings have to take place. It is now proposed that the employee should be entitled to take these matters directly to the Labour Court which would mean that the ordinary negotiation and conciliation proceedings would be short-circuited in most cases with the result that the employer would be hauled up before the Labour Court on trivial matters, at the instance of individual employees.

*Clause 80 (1).*—The Association suggests that the words “or an application by the Labour Officer” be deleted.

*Clause 84.*—The Association recommends that the words “or on a report in writing by the Labour Officer” be deleted.

*Clause 86.*—The Association suggests the following amendments in the clause :—

*Clause 86 (1) (b), (c) and (d).*—The appeal should lie at the instance of the party aggrieved, or the party who was responsible for the reference to the Labour Court. In other words, the Association is opposed to Government being the appellant before the Industrial Court unless they were parties to the proceedings in the Labour Court. The deletion of the proviso to sub-clause (1) is also recommended, and the Association strongly feels that everybody who has been convicted by the Labour Court in exercise of its special jurisdiction should be free to appeal to the Industrial Court and to the High Court of Judicature.

*Clause 88.*—The Association suggests that this clause be amended to provide for an appeal to the High Court.

### CHAPTER XIII.

#### *Court of Industrial Arbitration.*

*Clause 89.*—This clause will require amendment if the Association's proposals in connection with clause 55 were accepted.

*Clause 91 (2).*—This clause is very vague, and the circumstances under which the Industrial Court would be called to advise Government are not clear to us. We are not clear as to whether the Industrial Court would hear anybody before giving the advice. In any event, the Association desires to point out that the advice, if any, given by the Industrial Court is not binding on anybody.

*Clause 96.*—The Association suggests that this clause be amended to provide for an appeal from the Industrial Court to the High Court.

### CHAPTER XIV.

#### *Illegal Strikes and Lockouts.*

*Clause 98 (3).*—It is not clear as to what the position would be in case a decision given by the Labour Court under this clause is taken to the Industrial Court in appeal. In other words, unless the judgment of the Labour Court is confirmed by the Industrial Court, the strike would not be illegal. If, however, the intention is that as soon as the Labour Court gives the ruling that the proposed strike is illegal, the employers would be permitted to take disciplinary action against the workers, then complications would arise when the decision of the Labour Court is subsequently reversed by the Industrial Court.

Provision should also be made to facilitate the Labour Court's decision being secured within a reasonable time.

*Clause 100 (1).*—The preamble of the clause be changed to read somewhat as under :—

“The Provincial Government shall, at the request of either party concerned in a notice of strike or lockout, make a reference, etc., etc.”



## CHAPTER XV.

*Courts of Enquiry.*

*Clause 101.*—The Association suggests the deletion of Clause 101. The Provincial Government already possess the powers to appoint Courts of Enquiry under the All-India Trade Disputes Act. As regards enquiries into matters pertaining to conditions of labour, etc., such enquiries have been conducted in the past with the co-operation of employers, and this Association is opposed to the wide powers contemplated in the clause, being conferred on Government.

## CHAPTER XVI.

*Penalties.*

*Clause 102 (2).*—The clause as it stands is very wide in the sense that if an employee failed to return to work, say, for a month, after the termination of a strike, the employer would have to take him back. It is suggested that a time limit be prescribed, namely, three days from the commencement of the work in the mills, or the decision of the Labour Court, whichever is earlier.

*Clause 102 (5).*—The onus of proof in such a prosecution should fall on the prosecutor and not on the defendant. The law should recognise the maxim that a person should be presumed to be innocent until the contrary were proved, and that the onus of proof in a criminal case should be on the complainant, as otherwise it may lead to very many frivolous and vexatious complaints.

One other observation which has to be made in connection with the Chapter on Penalties is that the proposed reduction in the penalties to be imposed on employees is calculated to have unfortunate repercussions. The Bill has been very heavily loaded in favour of the employees, and every conceivable precaution has been taken to ensure redress of his grievances. If, in spite of everything, the employees show a tendency to break the law, then, that tendency should be checked by imposing more deterrent punishments than are at present proposed.

*Clauses 104 and 105.*—The Association suggests that the phraseology of the Bombay Industrial Disputes Act be accepted.

## CHAPTER XVII.

*Record of Industrial Conditions.*

*Clauses 112 and 113.*—The Association suggests the entire deletion of this chapter which requires Government to maintain certain records, and requires an employer also to maintain certain records. The chapter further seeks to confer certain powers on the officers of Government for the purpose of maintaining such records. The idea underlying our objection is that Government seem to be going very much further than mere "industrial relations."

## CHAPTER XVIII.

*Miscellaneous.*

*Clause 116.*—It is suggested that the time limit specified here, namely, two months, should be extended to six months. There is no point in facilitating changes in a registered agreement, settlement or award, in as short a period as two months, as in this period it would not be possible for both parties to secure sufficient working experience of the agreement or settlement referred to.

## SCHEDULE II.

The Association suggests the deletion of items 9 and 10, and the re-insertion of item 9 from the Schedule of the present Act. Item No. 9 of the proposed Bill, which deals with wages including the period and mode of payment, is a matter which is already covered by the Payment of Wages Act. Similarly, item No. 10, which deals with hours of work and rest intervals, is a matter covered by the Factories Act, and there is no point in bringing these matters within the scope of Schedule II, and so long as an employer is within the provisions of the Payment of Wages Act and the Factories Act, there should be no objection from anybody to any change being introduced by him.

## APPENDIX 23.

### BOMBAY SHOPS AND ESTABLISHMENTS ACT, 1939.

#### EXEMPTION OF CERTAIN DEPARTMENTAL CLERKS FROM CERTAIN PROVISIONS OF THE ACT DURING THE CONTINUANCE OF THE WAR.

*Copy of letter No. 204, dated 29th November 1945, from the Association to the Chief Secretary to the Government of Bombay, Political and Services Department.*

I am directed to refer to the correspondence resting with your letter No. 143/34-E, dated the 17th July 1941, in connection with the exemption of certain categories of clerks employed in the mills from the provisions of the Bombay Shops and Establishments Act, 1939.

Government were pleased to exempt the classes of persons concerned from the operation of the Bombay Shops and Establishments Act for a period of six months from 30th January 1941 in the first instance, and the exemption was subsequently extended for the duration of the war by Notification No. 143/34 (a), dated the 17th July 1941. It was, however, recognised at the time that there were certain difficulties of a practical nature arising from differences between the Factories Act and the Bombay Shops and Establishments Act, in connection with the provisions relating to holidays, etc., which, it was thought, could only be overcome by an amendment of the Bombay Shops and Establishments Act. In this connection, I am directed to refer to the following extracts from a letter dated the 14th November 1940 addressed by you to the Association :-

"The difficulty regarding the grant of weekly holidays to clerks employed in the mills is appreciated by Government. This difficulty could be overcome by the provision of four holidays in a month as was originally contemplated instead of one holiday every week. This point will be considered by Government when the Act is next being amended. In the meantime, I am to express the hope that the mills will, pending further examination of the position, do the best they can in the circumstances. Clearly, Government will have to consider the difficulty created by differences as regards holidays under the Factories Act and the Shops and Establishments Act and may have temporarily to make some allowance for this difficulty."

The clerical and other staff employed in canteens and grain shops attached to the mills in the city and island of Bombay were also subsequently exempted from the provisions of the Bombay Shops and Establishments Act for the duration of the war, by notification No. 143/34, dated the 22nd December 1943.

Although hostilities have ceased, normality has by no means been restored, and will not perhaps be restored in the mills so long as the cloth situation continues to be acute. In this view of the case, it is submitted that until such time as Government are ready with their amendments to the Bombay Shops and Establishments Act, the exemptions granted to the members of this Association might continue.

*Copy of letter No. 4249/34/19890-E, dated 22nd/27th August 1946, from the Chief Secretary to the Government of Bombay, Political and Services Department to the Association.*

I am directed to refer to your letter No. 204, dated the 29th November 1945, on the subject of exemption of certain categories of the clerical staff employed in cotton textile mills from the provisions of the Bombay Shops and Establishments Act.

The exemption granted under Government Notification, Political and Services Department, No. 143/34 (a), dated the 17th July 1941, was necessitated by the conditions brought about by the war and has expired with the end of the war, i.e., from the 1st April 1946. The question of continuance of the exemption has been carefully examined by Government in the light of the position explained in your letter under reference. So far as the hours of work

are concerned, Government considers that in view of the reduction of hours of work in the cotton textile mills to 48 per week from the 1st August 1946, the disparity in the hours of work under the Factories Act and the Bombay Shops and Establishments Act has been removed and that there need not be much difficulty in adjusting the working hours of the clerical staff within the limits laid down in the latter Act to suit the convenience of the textile mills. Government is therefore of the view that there is no case now for any exemption in respect of hours of work.

As regards holidays, Government agrees that the difference between the provisions of section 35 of the Factories Act and section 13 of the Bombay Shops and Establishments Act is likely to cause inconvenience and is prepared to exempt the clerical staff from section 13 of the Bombay Shops and Establishments Act if the Millowners' Association undertakes on behalf of its members to ensure that the clerical staff will be treated in respect of holidays in exactly the same way as the workers in the mills. I am to enquire whether the Association is willing to give such an undertaking and if so, to suggest that a list showing the persons to be exempted from section 13 may be supplied to this Department.

I am also to enquire whether the Lokmanya Mills, the Jayshankar Mills and the Barsi Spinning and Weaving Mills in Barsi which have applied for similar exemption of their clerical staff are members of your Association.

*Copy of letter No. 204, dated 7th October 1946, from the Association to the Chief Secretary to the Government of Bombay, Political and Services Department.*

I am directed to acknowledge the receipt of your letter No. 4249/34/198E0-E, dated the 22nd/27th August 1946, and to observe as follows :—

At the outset, my Committee desire to point out that the difficulty created by differences in the provisions of the Factories Act and the Bombay Shops and Establishments Act was appreciated by Government when this point was raised by the Association in 1940 and the exemption was given in the first instance for a period of six months from 30th January 1941, and was subsequently extended for the duration of the war. The exemption given was of a temporary nature as it was thought that the necessary change in the Act with a view to removing the difficulties could be made at the time of the next amendment of the Act. My Committee understand that the question of amending the Act is being examined by Mr. R. R. Bakhle, Special Officer appointed for the purpose, and their suggestions in this matter are being forwarded to Mr. Bakhle, but in the meantime, they desire to point out the difficulties which rendered it necessary to exempt certain clerical staff attached to mills from the provisions of this Act, still exist.

My Committee regret that the exemption suggested in paragraph 3 of Government's letter, by itself, would not meet the needs of the case. I am, in this connection, desired to draw attention to sections 11 and 12 of the Bombay Shops and Establishments Act. Section 11, *inter alia*, states that no person employed in any commercial establishment shall be required or allowed to work in such establishment for more than two hundred and eight hours in a month. There is a proviso which permits this limit being exceeded on certain occasions, on the understanding that the total number of hours for which a person is allowed to work in excess of the maximum number of hours prescribed for every month does not exceed 120 in any calendar year. This section allows, therefore, an overtime of only 10 hours a month. It would be very difficult to comply with this limit, especially in the first few days of the month when the timekeeping and the pay-roll staff would have to get their pay-rolls prepared and checked before the pay-day. It is true that those who put in extra time, are given time-off after the pay day, and the total number of hours or days put in by them in the month as a whole, do not exceed the number of hours or days put in by other employees of the factory. The point, therefore, is that it would be very difficult in several concerns to comply with the 10-hour limit for purposes of overtime, and an exemption is, therefore, requested from the provisions of this section.

I am now desired to draw your attention to section 12 of the Shops and Establishments Act which relates to spreadover of periods of work. There are certain employees who, it is

reported, put in three or four hours' work at a stretch, and then leave the mill, returning only in the evening for the distribution of tickets and the marking of the attendance registers. The actual number of hours worked by them may not exceed 8, but their employment would be in contravention of the provisions of section 12 of the Bombay Shops and Establishments Act.

Turning now to section 13 of the Bombay Shops and Establishments Act, Government enquire whether the Association is willing to give an undertaking that the employees concerned would be treated as factory workers in respect of holidays. Such an undertaking could be given, but it must be pointed out that, in the first few days of the month, it would not be possible for mills to give even a weekly holiday to the timekeeping and pay clerks. These employees would, after the pay day, be given time off, to compensate the holidays lost and the extra time put in by them, but, *taking the month as a whole*, they would have worked for no more days or hours than the regular mill operatives. Bearing these considerations in mind, I am desirous to suggest that the exemptions be continued as at present, on the understanding that the employees exempted would be, for all practical purposes, given the same number of holidays and hours of work as regular mill operatives under the Factories Act. As regards overtime, the amount may be determined by taking the number of working days in the month multiplied by 8, overtime being calculated as laid down in the Bombay Shops and Establishments Act if the number of hours exceeded 208.

A list of categories of clerical employees covered in the previous notifications and in respect of which a continuation of the exemption is requested, is enclosed herewith for ready reference.

With reference to the last paragraph of your letter, I am to confirm that the Lokamanya Mills, Barsi, Ltd., the Jayashankar Mills, Barsi, Ltd., and the Barsi Spinning and Weaving Mills Ltd., are members of the Association.

Categories of clerical employees covered by Government Notification No. 143/34, dated 17th July 1941 and No. 143/34 dated 22nd December 1943 and in respect of which exemption is required :—

1. Work done by mixing and blow room clerks.
2. Work done by waste clerks and waste plant clerks.
3. Work done by card room and wrapping clerks.
4. Work done by spinning clerks.
5. Work done by reeling and bundling clerks.
6. Work done by winding clerks.
7. Work done by warping, sizing and beaming clerks.
8. Work done by weaving clerks including weft clerks, piecework clerks and folding clerks.
9. Work done by cotton, wool and artificial silk, yarn and cloth godown clerks and assistants.
10. Work done by storekeepers and store issue clerks.
11. Work done by yarn and cloth baling clerks.
12. Work done by timekeeping staff including ticket boys and ticket clerks.
13. Work done by costing and statistical clerks.
14. Work done by bleaching, dyeing, printing and finishing departmental clerks.
15. Clerical and other staff employed in the canteens and grain shops.

**APPENDIX 24.****ENQUIRY INTO THE WORKING OF THE BOMBAY SHOPS AND ESTABLISHMENTS ACT, 1939.**

*Copy of letter No. L.O.VI-7465, dated 8th July 1946, from the Commissioner of Labour, Bombay, to the Association.*

I am directed to enclose herewith a copy of a Government Press Note dated 12th June 1946, announcing the appointment of Mr. R. R. Bakhale, B.A., M.L.C., to make an enquiry into the working of the Bombay Shops and Establishments Act, 1939, to study any difficulties that may have been experienced in its administration and to make recommendations, if necessary, for improving the administration and substantive provisions of the Act. If you have any suggestions to make they may please be forwarded to me at your earliest convenience.

*Copy of Press Note dated 12th June 1946, issued by the Government of Bombay.*

In the statement of Labour Policy issued by the Government of Bombay on 22nd May 1946, it was announced that the working of the Bombay Shops and Establishments Act, 1939, would be reviewed and an early endeavour made to remove the deficiencies that might be disclosed. In pursuance of this policy, the Government has appointed Mr. R. R. Bakhale, B.A., M.L.C., to make an inquiry into the working of the Act, to study any difficulties that may have been experienced in its administration and to make recommendations, if necessary, for improving the administrative and the substantive provisions of the Act, having regard to the needs and the interests of all sections of the population affected by the law.

The Bombay Shops and Establishments Act has already been applied to Bombay City, Ahmedabad City and Cantonment, Poona City and Suburban Municipal Borough, Pooa Cantonment, Sholapur, Hubli, Barsi, Nasik, Godhra, Uran, Surat, Kalyan, Bandra, Ghatkopar-Kirol, Parle-Andheri and Panvel. The Government has also decided to apply the Act to Kurla, Bulsar, Broach, Malegaon, Dhulia, and Nadiad. The question of applying the Act to Amalner, Jalgaon, Bhusawal, Baramati, Yeola, Thana, Bhiwandi, Ahmednagar, Satara, Pandharpur, Ratnagiri, Belgaum, Bijapur, Dharwar and Gadag is at present under consideration.

Any suggestions from the public and on behalf of the interests concerned in connection with the administration of the Act will be welcome and should be communicated to the Commissioner of Labour, Bombay, who will forward them to Mr. Bakhale.

*Copy of letter No. 204, dated 2nd January 1947, from the Association to the Commissioner of Labour, Bombay.*

I am directed to acknowledge the receipt of your letter No. L.O.VI-7465, dated the 8th July 1946, requesting the Association to forward its suggestions for improving the administrative and substantive provisions of the Bombay Shops and Establishments Act, 1939, and to forward herewith for your information copies of communications already addressed by this Association to Government on this subject. It is requested that this correspondence be placed before Mr. Bakhale, the Special Officer appointed by Government for the purpose.

The Committee of the Association desire to emphasise that mill canteens, grain shops, cloth shops, creche, and the like exist in mills as an amenity to the worker. The total number of persons employed in these departments is not by any means large. Since they exist as amenities to the workers, it is absolutely necessary that they should be kept open during the hours in which the mills are working. It has already been pointed out in the Association's previous communications that the application of the Bombay Shops and Establishments Act to these departments would inconvenience the mills for the reasons stated therein, and the Association, therefore, desires to submit that, in the case of big establishments like cotton

mills, employing thousands of workers, and which are subject to the provisions of the Factories Act, that Act should also be made applicable to those departments which exist in the same mill premises as amenities to employees of cotton mills or as adjuncts to the work carried on in cotton mills. In short, the suggestion is that, in industrial establishments where the vast majority of workers are covered by the Factories Act, the same Act should be extended to cover even the small minority who would normally come under the jurisdiction of the Bombay Shops and Establishments Act.

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## APPENDIX 25.

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### THE INDIAN ELECTRICITY (SUPPLY) BILL, 1946.

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*Copy of letter No. 6730/36(1)-E1(I), dated 24th May 1946, from the Deputy Secretary to the Government of Bombay, Public Works Department, to the Association.*

I am directed to invite your attention to the Government of India Electricity (Supply) Bill, 1946, republished on pages 48-73 of the *Bombay Government Gazette* Supplement No. 10, dated the 7th March 1946,\* as amended by the Notifications No. 6730/36(1), dated the 20th April 1946 and No. 6730/36(1), dated the 24th May 1946 and to request that you will please favour this Government, not later than the 3rd July 1946, with the opinion of your Association on the Bill for transmission to the Government of India, Department of Works, Mines and Power. The opinion may please be sent in triplicate.

*Copy of letter No. 370, dated 13th September 1946, from the Association to the Deputy Secretary to the Government of Bombay, Public Works Department.*

I am directed to acknowledge the receipt of your letter No. 6730/36(1)-E1(I), dated the 24th May 1946, and to state that, due to the Association's preoccupations, it has not been possible to submit its views on the proposed Electricity (Supply) Bill, 1946, so far. The Committee have now examined the provisions of the Bill, and while they do not wish to offer any detailed comments on the Bill, they desire to invite the attention of Government to one or two matters arising out of the Bill.

1. Clause 17 (Chapter III) of the Bill provides, *inter alia*, that a Provincial Electricity Board shall be charged with the general duty of promoting the co-ordinated development of the supply of electricity within the Province in the most efficient and economical manner. Clause 45 of the Bill stipulates that the Board shall fix its own Grid Tariff in respect of each area for which a scheme is enforced, and that Tariffs may differ for different areas. My Committee apprehend that, in virtue of these and other provisions, the Board might attempt to subsidise supplies of electrical energy to undeveloped rural areas at the expense of industrial and urban consumers of electricity. My Committee are anxious that this should not be allowed to take place and that, if it is decided to embark on schemes of developing electricity in rural areas, any loss arising therefrom should be met by a general subsidy from Government, and not at the cost of one section of electricity consumers. They would, therefore, suggest the incorporation of a provision in the Bill to make it clear that consumers in electrically developed areas would not be required to pay the cost of uneconomic electrical developments in other areas.

2. My Committee note that extensive powers are proposed to be given to the Provincial Electricity Boards. These powers include complete control of the operations, finance, tariffs, etc., of all distributing and bulk supply licensees and for the manufacture of electrical equipments, etc. In view of these vast powers, my Committee feel that sufficient safeguards should be provided to protect the interest of consumers and licensees. Clause 74 of the Bill provides for arbitration in the case of any dispute between a Board and a licensee or other persons. My Committee are of opinion that, in view of the large powers proposed to be conferred on the Board, this procedure would not, in itself, be a sufficient safeguard, and would suggest the establishment of an appellate authority for hearing appeals from decisions of the Board.

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\* Not printed.

## APPENDIX 26.

### INDIAN ELECTRICITY RULES, 1937.

#### AMENDMENTS TO RULE 62—SUB-RULES 2 AND 3.

*Copy of letter No. 1611/36-E1.(I), dated 16th May 1946, from the Deputy Secretary to the Government of Bombay, Public Works Department, to the Association.*

With reference to the correspondence ending with your letter No. 242A, dated the 13th October 1945, I am directed to state that general and complete exemption cannot be given to any installation and that every consumer should approach the Electrical Inspector, Bombay Province, who would be prepared to give maximum relaxations in respect of details until such time as the consumer is in a position to carry out remodelling work.

*Copy of letter No. 242A, dated 21st May 1946, from the Association to the Deputy Secretary to the Government of Bombay, Public Works Department.*

With reference to your letter No. 1611/36-E1.(I), dated the 16th May 1946, I am directed to point out that, in accordance with the suggestion contained in your letter No. 1611/36-E1.(I), dated the 10th October 1945, and agreed to by the Association by their office letter No. 242A, dated the 13th October 1945, a meeting was subsequently held on the 20th November 1945 at the Office of the Electrical Engineer to Government, to discuss the problems arising out of the amendment to Rule 62, sub-rules (2) and (3) of the Indian Electricity Rules, 1937. I shall be obliged if you will be so good as to let me know Government's decision on the conclusions reached at the meeting.

*Copy of letter No. 1611/36-E1.(I), dated 24th June 1946, from the Deputy Secretary to the Government of Bombay, Public Works Department, to the Association.*

With reference to your letter No. 242A, dated the 21st May 1946, I am to state that the decision conveyed in Government letter No. 1611/36-E1.(I), dated the 16th May 1946, is the decision of Government and it was taken after due consideration of the proceedings of the meeting referred to by you and after consultation with the Electrical Commissioner with the Government of India, as suggested in that meeting. It is regretted that this was not made clear in the Government letter of 16th May 1946.

*Proceedings of the meeting held on 16th July 1946 between the Sub-Committee of the Fire Insurance Association and the Sub-Committee of the Association.*

The Sub-Committee appointed by the Association met a Sub-Committee of the Mill-owners' Association on the 16th July 1946.

Messrs. T. K. Desai, V. Corbett Wright, J. S. R. Spelman and the Assistant Electrical Inspector represented the Bombay Fire Insurance Association.

Mr. Neville Wadia was Chairman of the meeting which was attended by Mr. Sethna and Mr. Russell of the Tata Hydro Group of Companies.

The viewpoint of the Association towards Transformer Houses was explained. It was contended that certain provisions of Rule 62 under the Indian Electricity Act were desirable and whilst these should not be applied retrospectively, it was necessary to enforce them in the case of all new transformer houses and also where major alterations were taking place. The recent cases where the Government Inspectors could have insisted upon the requirements of the rule but did not do so were cited.

The attitude of the Government Inspector was discussed and the Chairman agreed that the millowners had no objection to the Bombay Fire Insurance Association enforcing its own rule and penalising those who did not comply with it so long as the rule was not to operate against existing transformer houses. He suggested that the insurance companies may notify to their clients of their requirements and call for plans, etc., for their approval before any new transformer houses were put up.

The Chairman visualised the possibility of some cotton mills not having suitable space to house their transformers and that in such cases the Bombay Fire Insurance Association may insist that the transformer houses should be effectively cut off from the main blocks.

The representatives of the Bombay Fire Insurance Association agreed with the view of the Chairman and informed the meeting that they will introduce a rule on this subject, in their own Electrical Rules and submit the same to the Millowners' Association for their comment.

*Copy of letter No. 5552/13, dated 9th August 1946, from the Bombay Fire Insurance Association to the Association.*

I refer to the meeting held on 16th ultimo between a Sub-Committee of your Association and our representatives and, as agreed at the meeting, reproduce for your comment a draft rule which my Committee propose to adopt in lieu of the present rule 4E of this Association's Regulations for the Electrical Equipment of Buildings.

*Draft Rule 4E.*—"Every transformer and/or condenser or bank of transformers and/or condensers or oil-filled switch or switchboard, having an individual or aggregate oil capacity of 50 gallons and over must be mounted in a separate building of fire-proof construction preferably separated from all surrounding buildings by at least 20 feet, and ventilated to the outside of the building only.

"Each one of the transformers, or condensers or the switch boards shall be segregated in chambers having fire-proof walls of approved height and width and every such chamber shall be provided with suitable oil drains and soak pits."

My Committee will be glad to have your Committee's views on this matter as soon as possible.

*Copy of letter No. 242-A, dated 28th October 1946, from the Association to the Bombay Fire Insurance Association.*

#### TRANSFORMER HOUSES.

I am directed to acknowledge the receipt of your letter No. 552/13 dated 9th August 1946, on the above subject.

I regret it was not possible for me to send an early reply as my Committee were preoccupied with more urgent matters. They have, however, completed their examination of the draft rule, and suggest for your consideration that the rule be worded as under:—

- "(1) Where a factory uses energy at high pressure, every oil filled apparatus, such as a transformer, static condenser or oil circuit breaker having an individual or aggregate oil capacity of 50 gallons or over must be housed in a locked weather and fire-proof building if possible (preferably) separated by at least 20 ft. from all surrounding buildings and suitably ventilated to the outside of the building only.
- (2) Each oil filled apparatus shall also be segregated from all other apparatus by fire-proof walls of approved height and width and every chamber shall be provided with suitable oil drains and soak pits.  
Cable trenches inside sub-stations shall be filled with (sand) pebbles or similar non-inflammable materials and (or) covered with non-inflammable slabs.
- (3) Where such apparatus are installed outdoors, they shall be suitably fenced in in a locked enclosure separated by at least 20 ft. from any other building and each piece of apparatus shall be segregated as in (2) above."

It is understood that the redrafted rule will not apply for existing installations.



*Copy of letter No. 5552/20, dated 6th December 1946, from the Bombay Fire Insurance Association to the Association.*

I acknowledge receipt of your letter No. 242-A, dated 28th October last, and am directed to inform you that my Committee have given their careful consideration to this matter and agree to the rule suggested by you with the following alterations :—

- (a) Omit the words " where a factory uses energy at high pressure " in the first line of para. 1. The reason for this is that technically " high pressure " means 650 volts and above, whereas frequently we have to deal with 400 volts.
- (b) Add the word " switchgear " between " condenser " and " or " in the third line of para. 1.
- (c) Instead of the word " preferably " in the sixth line of para. 1, insert the words " if possible."
- (d) Omit the word " sand " from the sixth line of para. 2. The reason for this is that sand has caused trouble with cables in more than a few cases lately.
- (e) The word " and " should be substituted for the word " or " in the last line of para. 2.

I am also directed to inform you that my Committee suggest you instruct your members to apply to the Association through their leading offices for sanction of plans, etc., before work is taken in hand as required by our rules.

My Committee will be glad to have your Committee's views on this matter as soon as possible, as many cases are now coming up where new transformer houses are being constructed.

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*Copy of letter No. 242-A dated 18th December 1946, from the Association to the Bombay Fire Insurance Association.*

I am directed to acknowledge the receipt of your letter No. 5552/20, dated 6th December 1946, and to state that my Committee accept the amendments suggested by you in rule 4E regarding the construction of transformer houses. I am also sending a copy of the amended Rule 4E to all members and requesting those mills who propose to construct new transformers to apply to you through their insurance companies for sanction of plans, etc.

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*Copy of circular No. 242A, dated 27th December 1946, from the Association to all members.*

This is in continuation of my letter No. 242A, dated the 7th September 1945, wherein a reference was made to a representation submitted by this Association to the Government of Bombay drawing their attention to the difficulties which would be experienced by mills in complying with the provisions of the amended Rules, particularly in connection with existing installations. The Association had urged in this representation that existing installations should be exempted from the provisions of the amended rule. This was followed by a conference with representatives of the Provincial Government, the final outcome of which was that Government expressed their inability to grant a general and complete exemption from the provisions of the Rules in question, but stated that every consumer should approach the Electrical Inspector who would be prepared to give maximum relaxations in respect of details until such time as the consumer was in a position to carry out remodelling work.

Following this decision, representatives of the Bombay Fire Insurance Association called on the Committee of the Association and pointed out that certain provisions of the amended Rule 62 were desirable, and whilst these should not be applied retrospectively, it was necessary to enforce them in the case of all new Transformer Houses, and also where major alterations were taking place. The representatives of the Association had no objection to the Bombay Fire Insurance Association enforcing its own rules and penalising those who did not comply with them so long as the rules were not made applicable to existing transformer houses. The representatives of the Association suggested that the Fire Insurance Association might forward to the Committee the draft of a rule which, in their opinion, would suit the needs of the case, and this was subsequently done. The Committee made a few

minor alterations in the draft received, and these were accepted with certain minor amendments by the Fire Insurance Association. The new rule as amended by the Bombay Fire Insurance Association and accepted by this Association reads as under :—

**RULE 4E OF THE RULES AND REGULATIONS REGARDING ELECTRICAL EQUIPMENT OF BUILDINGS DRAWN UP BY THE BOMBAY FIRE INSURANCE ASSOCIATION.**

“(1) Every oil filled apparatus, such as a transformer, static condenser, switchgear or oil circuit breaker having an individual or aggregate oil capacity of 50 gallons or over must be housed in a locked weather- and fire-proof building if possible separated by at least 20 ft. from all surrounding buildings and suitably ventilated to the outside of the building only.

(2) Each oil filled apparatus shall also be segregated from all other apparatus by fire-proof walls of approved height and width and every chamber shall be provided with suitable oil drains and soak pits.

Cable trenches inside sub-stations shall be filled with pebbles or similar non-inflammable materials and covered with non-inflammable slabs.

(3) Where such apparatuses are installed outdoors, they shall be suitably fenced-in in a locked enclosure separated by at least 20 ft. from any other building and each piece of apparatus shall be segregated as in (2) above.”

Members are requested to ensure compliance with the above rules when remodelling their transformer houses.

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**APPENDIX 27.**

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**TRADE MARKS (AMENDMENT) ACT, 1946.**

**RECIPROCAL ARRANGEMENTS WITH INDIAN STATES.**

*A Bill further to amend the Trade Marks Act, 1940 ; and Annexure.*

Whereas it is expedient further to amend the Trade Marks Act, 1940 (V of 1940), for the purposes hereinafter appearing ;

It is hereby enacted as follows :—

1. *Short title.*—This Act may be called the Trade Marks (Amendment) Act, 1946.
2. *Amendment of section 4, Act V of 1940.*—For sub-section (2A) of section 4 of the Trade Marks Act, 1940 (hereinafter referred to as the said Act), the following sub-section shall be substituted, namely :—

“(2A) The Central Government may appoint a Deputy Registrar of Trade Marks and such other officers as it thinks fit to discharge under the superintendence and direction of the Registrar such functions of the Registrar under this Act as he may from time to time authorise them to discharge ; and any reference in this Act to the Registrar shall include a reference to the Deputy Registrar or other officer as aforesaid when so discharging any such function.”

3. *Amendment of section 10, Act V of 1940.*—In sub-section (1) of section 10 of the said Act, for the words “ already on the register ” the words, figures and letter “ either already on the register or already registered in any Indian State to which section 82A for the time being applies ” shall be substituted.

4. *Amendment of section 19, Act V of 1940.*—In section 19 of the said Act, after the words “ from the register ” the words, figures and letter “ under this Act, or from the register of trade marks in any Indian State to which section 82A for the time being applies,” shall be inserted.

5. *Amendment of section 21, Act V of 1940.*—(1) Section 21 of the said Act shall be renumbered as sub-section (1) of that section, and in the section as so renumbered, the words “if valid” shall be omitted.

(2) To the said section as so renumbered the following sub-section shall be added, namely :—

“(2) A person registered in any Indian State to which section 82A for the time being applies, as proprietor of a trade mark shall have the same rights in respect thereof as are conferred by this section on a person registered under this Act as proprietor of a trade mark.”

6. *Amendment of section 22, Act V of 1940.*—In sub-section (3) of section 22 of the said Act, for the words “two or more registered trade marks” the words, figures and letter “two or more trade marks registered under this Act or in any Indian State to which section 82A for the time being applies,” shall be substituted.

7. *Amendment of section 23, Act V of 1940.*—In section 23 of the said Act, for the words “registered trade mark” the words, figures and letter “trade mark registered under this Act or in any Indian State to which section 82A for the time being applies,” shall be substituted.

8. *Amendment of section 46, Act V of 1940.*—To sub-section (2) of section 46 of the said Act, the following *Explanation* shall be added, namely :—

“*Explanation.*—For the purposes of sub-section (1) and this sub-section, a person who has registered a trade mark in any Indian State to which section 82A for the time being applies, may be a ‘person aggrieved.’”

9. *Amendment of section 57, Act V of 1940.*—(1) Section 57 of the said Act shall be renumbered as sub-section (1) of that section, and in the section as so renumbered, the words “if valid” shall be omitted.

(2) To the said section as so renumbered, the following sub-section shall be added, namely :—

“(2) A person registered in any Indian State to which section 82A for the time being applies, as proprietor of a certification trade mark shall have the same rights in respect thereof as are conferred by this section on a person registered under this Act as proprietor of a certification trade mark.”

10. *Amendment of section 58, Act V of 1940.*—In sub-section (3) of section 58 of the said Act, for the words “registered certification trade marks” the words, figures and letter “certification trade marks registered under this Act or in any Indian State to which section 82A for the time being applies,” shall be substituted.

11. *Amendment of section 68, Act V of 1940.*—(1) In sub-section (1) of section 68 of the said Act, for the words “From such date, not being earlier than one year from the commencement of this Act, as the Central Government may, by notification in the official *Gazette*, appoint in this behalf,” the words and figures “On and after the 1st day of January 1947,” shall be substituted.

(2) To the said section the following sub-section shall be added, namely :—

“(4) Nothing in this section shall—

- (a) apply to a trade mark, application for the registration of which has been made before the 1st day of January 1947, until such application has been disposed of;
- (b) affect the use of the word “registered” in respect of a trade mark registered in any Indian State to which section 82A for the time being applies, or until the application has been disposed of, in respect of a trade mark, application for the registration of which has been made in any such Indian State before the aforesaid date.’

12. *Insertion of new section 82A in Act V of 1940.*—After section 82 of the said Act, the following section shall be inserted, namely :—

“82A. *Power to make reciprocal arrangements with Indian States.*—(1) The Central Government may enter into reciprocal arrangements with any Indian State whereby trade marks and certification trade marks registered under this Act shall have in that State protection as if registered in that State and where such arrangements have been entered into with any Indian State, the Central Government shall by notification in the official *Gazette* declare that this section shall apply to that State.

(2) Where any such arrangements as aforesaid with any Indian State are terminated, the Central Government shall by a further like notification cancel the notification under sub-section (1) relating to that State.”

13. *Amendment of section 83, Act V of 1940.*—In section 83 of the said Act, the word “British”, where it occurs for the first time, shall be omitted.

14. *Amendment of section 84, Act V of 1940.*—In sub-section (2) of section 84 of the said Act, after clause (l) the following clause shall be inserted, namely :—

“(ll) make such supplementary provision as may be necessary or expedient to give effect to reciprocal arrangements entered into with Indian States under section 82A.”

#### STATEMENT OF OBJECTS AND REASONS.

The Trade Marks Act, 1940, is only effective in British India. There are many Indian States who have either passed Trade Marks Acts of their own on the lines of the Trade Marks Act of 1940, or propose to do so in the near future. The commercial community, however, apprehend that separate registrations in a number of territories in India would be a great financial burden on them, apart from the embarrassment and confusion that would arise as the result of conflicting trade marks being registered in various territories in India. The States who have enacted or propose to enact legislation for trade marks registration have realised the seriousness of the problem, and have expressed their willingness to enter into reciprocal arrangements with the Government of India in this matter. The proposals in the Bill which are explained in the Notes on Clauses have therefore been designed with a view to avoiding conflict of registration in various Indian States and also to make trade marks registered in any territory effective in all territories in India in which trade marks legislation has been enacted. Provision has also been made for the delegation of the statutory powers of the Registrar of Trade Marks to other officers in addition to the Deputy Registrar.

2. Corresponding amendments will be made in the Trade Marks Acts of the Indian States so that infringement actions on trade marks and certification of trade marks registered in British India may be filed in any of the reciprocating Indian States, thus making it unnecessary for the proprietor of a trade mark to register a trade mark more than once in India.

AZIZ-UL-HUQUE.

NEW DELHI, 18th February, 1946.

#### NOTES ON CLAUSES.

*Clause 2.*—As a result of the reciprocity arrangements arrived at between British India and the Indian States, the work of the Trade Marks Registry will considerably expand. It has therefore been thought necessary to give the Registrar of Trade Marks the power to delegate his authority not only to the Deputy Registrar of Trade Marks but also to such other officers as are appointed by the Central Government.

*Clause 3.*—The amendment is for the purpose of taking into consideration all trade marks which are registered in India so as to avoid the registration of conflicting marks.

*Clause 4.*—The amendment is for the purpose of making the principle underlying section 19 applicable to trade marks which are registered in Indian States.

*Clause 5.—(a)* The purpose of omitting the words "if valid" is to make it impossible for any court to go into the question of validity of registration in an infringement action unless rectification proceedings are taken. Where a trade mark has been registered in British India and an infringement action is filed in an Indian State, it will not be open to the Indian State to challenge the validity of the registration in British India. That can be done only by the aggrieved party taking rectification proceedings in British India.

*(b)* This clause renumbers the present section as sub-section (1) and adds a further sub-section in order to implement the reciprocal arrangement which has been arrived at between British India and the Indian States.

*Clause 6.—* This clause is for the purpose of extending the protection of sub-section (3) of section 22 to trade marks which are registered in Indian States.

*Clause 7.—* This amendment is consequential on the provision now made by new sub-section (2) of section 21.

*Clause 8.—* An *Explanation* is added to the section to make it quite clear that a person who is registered in an Indian State is to be included in the expression "person aggrieved" so that he may be in a position to oppose the registration of a mark which conflicts with the mark registered by him in an Indian State.

*Clause 9.—(a)* and *(b)* correspond with the amendments in clause 5. Clause 5 deals with trade marks and clause 9 deals with certification trade marks.

*Clause 10.—* This clause corresponds with the amendment in sub-section (3) of section 22 referred to in clause 7.

*Clause 11.—(a)* Under section 68 it was first notified by Government that the section would come into operation on the 1st January 1946. Having regard to the representations made by the commercial community, that notification was cancelled and another notification issued to the effect that the section would come into operation on the 1st January 1947. It is considered doubtful whether the first notification can be superseded by the second. In order, however, to remove doubts, the section is amended so as to come into operation on or after the first day of January 1947, being the date fixed by the latest notification.

*(b)* The new sub-section (4) is suggested for the purpose of avoiding any hardship to an applicant who has made an application for the registration of a trade mark before the 1st January, 1947, and which has been unavoidably delayed. Sub-section (5) is consequential upon the reciprocal arrangement which has been arrived at between British India and the Indian States.

*Clause 12.—* This clause enables the Central Government to enter into reciprocal arrangements with Indian States, and when such reciprocal arrangements have been arrived at between British India and the Indian States, the names of such States will be notified in the official *Gazette*. This clause and clauses 5 and 9 are the main operative clauses in the Bill.

*Clause 13.—* This amendment is consequential on the suggested new section 82A.

*Clause 14.—* This enables the Central Government to make such rules as may be necessary having regard to the new sections introduced by this Bill.

*Copy of letter No. 214, dated 2nd April 1946, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.*

I am directed to confirm having wired you to-day as under :—

"Reference Bill to amend Trade Marks Act to provide for reciprocal arrangements between British India and Indian States regarding registration of trade marks stop Committee Millowners' Association strongly request Bill be passed in current session Assembly stop Association vitally interested as majority of trade marks consists of textile trade marks overwhelming proportion of which belong to members of this Association stop Also suggest that with a view to facilitate working reciprocal arrangements earliest opportunity Special Officer to draft out rules and cognate matters connected with reciprocity scheme be appointed stop Telegram addressed to Restruram and repeated to Legislative Assembly Department."

**APPENDIX 28.****STAMPING OF YARDAGE ON PIECEGOODS.**

*Copy of letter No. 313(1)-Tr(MM)/46, dated 28th August 1946, from the Assistant Secretary to the Government of India, Department of Commerce, to all the recognised Chambers of Commerce and Trades Associations.*

I am directed to invite a reference to the provisions of section 18 (f) of the Sea Customs Act, whereby all piecegoods which are sold ordinarily by the length or by the piece are required to be stamped with length in yardage. Under notification No. 1430, dated the 6th April 1891, as subsequently amended (copy enclosed for ready reference), these are defined as including cotton and woollen piecegoods of all kinds, excepting certain descriptions specified in the notification mentioned above. For the purpose of that notification mixed fabrics are considered as cotton or woollen piecegoods if cotton and/or wool is a "material constituent" of the fabric.

2. A question has now arisen as to what proportion of cotton and/or wool present in a fabric should be regarded as forming a material constituent. It has been suggested in this connection that the expression "material constituent" should mean "not negligible or insignificant" rather than "major portion," and that for practical purposes any piecegoods containing 33 per cent. of cotton and/or wool should fall within the purview of section 18 (f) of the Sea Customs Act.

3. It has also been suggested that local trade favours insistence on the stamping of yardage even on textile goods which are now exempt from the provisions of section 18 (f) of the Sea Customs Act but are ordinarily sold by length or piece since such marking will not spoil the fabric or cause it to depreciate in value. A proposal has, therefore, been made that even goods such as silk, art silk, and such other mixed piecegoods as are ordinarily sold by length or piece should be required to be stamped with length in yardage by extending the provisions of the Sea Customs Act to them.

4. The Government of India would be glad to receive the views of your Chamber Association on the points raised above so as to reach this Department by the 31st October 1946.

*Copy of Notification No. 1430, dated 6th April, 1891, as subsequently amended, issued by the Department of Commerce.*

In exercise of the powers conferred by section 19-A, sub-section (2), of the Sea Customs Act, 1878 (as amended by section II of the Indian Merchandise Marks Act, 1889), and sections 19 and 20 of the Indian Merchandise Marks Act, 1889 (as amended by Act IX of 1891), the Governor General in Council is pleased to make the subjoined rules and orders:—

**STAMPING OF PIECEGOODS.**

1. Piecegoods, such as are ordinarily sold by length or by the piece, shall be deemed to include cotton piecegoods and woollen piecegoods of all kinds, except the descriptions noted below:—

Alhambras.  
Blankets.  
Blind cloth.  
Bookbinding cloth in cut pieces.  
Buckrams.  
Carpets (in rolls).  
Counterpanes.  
Dusters in woven pieces.  
Embroidered flouncings.  
Embroidered voile saris.  
Filter cloth.  
Glass cloths in woven pieces.  
Handkerchiefs in woven pieces.  
Lace curtain cloth.  
Madras muslin cloth.  
Penelope canvas.  
Pillow calico (tubular).

Prayer mats.  
Press cloth in cut pieces.  
Quilts.  
Rugs.  
Sarongs up to 2½ yards in length.  
Shawls (finished), with ends hemmed or fringed, imported singly or in pieces containing two or more shawls.  
Sponge cloth (for swabs).  
Tapestry cloth.  
Teddy bear or imitation seal skin cloth.  
Towels in woven pieces.  
Undershirt cloth.  
Woollen clearer cloth.  
Woollen knitted cloth.  
Woollen roller cloth.  
Woollen sizing flannel.

Provided that the Collector of Customs shall not detain any unstamped piecegoods if he is satisfied that, although they are not named in the preceding list, they are of such a nature that they would be liable to serious depreciation in value, if stamped.

*Note 1.*—Whenever a Collector exercises his discretion under this proviso, he should forthwith report the case, sending a sample of the goods, to the Government of India, through the Central Board of Revenue, so that the question of issuing general orders in favour of such goods may be considered.

*Note 2.*—The mention of any item in the list of exemptions has no bearing upon the question whether that item, if consisting of cotton, is assessable under the Tariff head "Cotton piecegoods."

2. Unstamped cotton and woollen piecegoods imported for the personal use of individuals or private associations of individuals and not for trade purposes shall not be detained.

3. Examinations of packages to ascertain whether the goods mentioned in Rule 1 are stamped shall be made at frequent intervals at the discretion of the Customs Collector and either under his personal instructions or under general orders and instructions given by him to an Assistant Collector.

4. The piecegoods contained in the packages so examined need not be examined, when found to be stamped, to test the accuracy of the stamping, except on information received, or when the Customs Collector has reason to suspect that the stamping is false.

5. All measurements of piecegoods shall be made on the table.

#### TESTING OF YARNS.

6. Yarns need not be examined or measured, except on information received, or when the Collector has reason to suspect that the trade description is false.

7. An examination of yarns to test the accuracy of the description of count or length shall be made, in the first instance, up to the limit of one bundle in every one hundred bales or fraction of one hundred bales in the consignment.

8. If, on such examination, the difference between the average count or length and the described count or length is in excess of the variations permitted in paragraphs III and IV of the notification of the Government of India in the Home Department, No. 1474, (Judicial), dated the 13th November 1891, the importer may require a further examination to be made up to the limit and on the condition stated in Rule 9.

9. The test to determine length of yarns shall be applied as follows :—

From every one hundred bales, or fraction of 100 bales, in a consignment one bundle should be selected at random. The hanks in this bundle should then be measured on the wrap-reel, one after the other, in the presence of a representative of the importer, and the lengths noted, the process being continued (within the limits of the bundle) until either the importer is satisfied that the yarn is short, or the average of the lengths noted shows that it is of full length.

When the importer is dissatisfied with this test he may, on payment of the cost, require the Customs Collector to measure more hanks up to 1 per cent. of the total number of hanks in the consignment, such hank being taken at random by an officer of Customs out of any bundles in the consignment.

10. The Customs Collector may require from any informant a security not exceeding five hundred rupees. If the Collector should be satisfied that the information given is wilfully false, the security shall be forfeited.

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*Copy of letter No. 294, dated 1st October 1946, from the Association to the Secretary to the Government of India, Department of Commerce, Simla.*

I am directed by the Committee of the Millowners' Association to acknowledge the receipt of your letter No. 313(1)-Tr(MM)/46, dated the 28th August 1946, in which you request my Committee to express an opinion on certain matters arising from the provisions of section 18 of the Sea Customs Act, particularly in relation to Government notification No. 1430, dated 6th April 1891.

The Committee of the Association hold the view that the list of goods included in the notification referred to, prepared as it was in the year 1891, is out of date and should, therefore, be examined by Government in consultation with commercial and industrial interests with a view to revise it in the light of current requirements. There are certain items which are at present included in the notification, which in my Committee's view should not have been exempted from the stamping provisions.

My Committee would like to take this opportunity of drawing Government's attention to one drawback in the Merchandise Marks Manual. The Manual prescribes the scale of tolerances to be allowed between stamped dimensions and the real dimensions in the case of cotton piecegoods, and no scale of tolerances seems to have been prescribed for the guidance of Criminal Courts trying cases of fraudulent trade descriptions in respect of piecegoods made of other fibres or mixture goods. This is a very important matter and my Committee suggest that this question should also be re-examined by Government in consultation with commercial and industrial interests in the country.

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*Copy of letter No. 313(1)-Tr.(M.M.)/46, dated 20th January 1947, from the Assistant Secretary to the Government of India, Department of Commerce, to the Association.*

*Subject:—STAMPING OF YARDAGE ON PIECEGOODS.*

With reference to your letter No. 294, dated the 1st October 1946, on the above subject, I am directed to say that the Government of India are of the opinion that the only important items which are exempted from stamping of yardage under notification No. 1430, dated the 6th April 1891, are silk, art silk and such other mixed piecegoods as are ordinarily sold by length or piece and it is proposed to withdraw the exemption allowed to these articles. There appear to be no other items of importance in the said notification from which the exemption referred to above could be withdrawn advantageously.

The Government of India would, however, be glad to receive your suggestions as to the specific items which should in the view of your Association be excluded from the list of exemption contained in the notification dated the 6th April 1891.

2. The suggestion made in paragraph 3 of your letter is receiving the consideration of the Government of India and their decision in the matter will be communicated to you in due course.

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*Copy of letter No. 294, dated 12th February 1947, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.*

*Subject:—STAMPING OF YARDAGE ON PIECEGOODS.*

I am directed to acknowledge the receipt of your letter No. 313(1)-Tr.(M.M.)/46, dated the 20th January 1947, on the above subject, and to say that the following items may be omitted from Government notification No. 1430, dated the 6th April 1891 :

- |                                      |                             |
|--------------------------------------|-----------------------------|
| 1. Alhambras quiltings.              | 7. Penelope canvas.         |
| 2. Blind cloth if not in cut pieces. | 8. Undershirt cloth.        |
| 3. Buckrams if not in cut pieces.    | 9. Woollen clearer cloth.   |
| 4. Filter cloth.                     | 10. Woollen roller cloth.   |
| 5. Press cloth if not in cut pieces. | 11. Woollen sizing flannel. |
| 6. Madras muslin cloth.              | 12. Tapestry cloth.         |



## APPENDIX 29.

### INDIAN STANDARDS INSTITUTION.

*Resolution dated 3rd September 1946, issued by the Department of Industries and Supplies.*

#### ESTABLISHMENT OF AN "INDIAN STANDARDS INSTITUTION."

No. 1 Std. (4)/45.—The Institution of Engineers (India) has been acting as the Indian Committee of the British Standards Institution since 6th August 1919 on the recommendation of the Government of India. Generally, British and American standards have been adopted for this country. Due to the diversity of raw materials available in India and the process employed for manufacture, it has been felt increasingly that the British and other standards are not always suitable for adoption in this country. The question, therefore, of establishing a central standards organisation in India for fixing Indian Standards is of vital importance.

2. The proposal for setting up of such an Institution in India was first raised at the 12th Industries Conference held in Lucknow in December 1940. Due to the war, however, the Government could not pay much attention to this. With the vast industrial plans that are contemplated in the immediate future, this question has become one of urgent importance. The Government of India have accordingly prepared a scheme for establishing a central standards organisation in India which has already been circulated to all the Provincial Governments, Indian States, Chambers of Commerce, and other important industrial and technical organisations for their comments. The scheme has met with general acceptance from all sides.

3. The Government of India have, therefore, decided to set up an organisation to be called the Indian Standards Institution with headquarters at New Delhi.

4. The objects for which the Institution is being established are :—

(a) To prepare and promote the general adoption of standards on National and International basis relating to structures, commodities, materials, practices, operations, matters and things and from time to time to revise, alter and amend the same.

To consider and recommend to Government, national standards for the measurement of length, weight, volume and energy.

(b) To promote standardisation, quality control and simplification in industry and commerce.

(c) To adopt such measures and take such steps and do all such things as may, in the opinion of the General Council, be conducive to the promotion of cordial relations between the Institution and persons interested in the objects of the Institution.

(d) To co-ordinate the efforts of producers and users for the improvement of materials, products, appliances, processes and methods.

(e) To provide for the registration of standardisation marks applicable to the products, commodities, etc., for which it issues standards to be branded on or applied to those products, commodities, etc., which conform to Standards set.

(f) To provide or arrange facilities for the examination and testing of commodities, processes, and practices and for any investigation or research that may be necessary.

(g) To procure the recognition of the Institution in any foreign country or place.

(h) To collect and circulate statistics and other information relative to standardization in all its branches.

(i) To establish, form, furnish, and maintain libraries, museums, and laboratories for the purpose of furthering the practice of standardisation.

(j) To communicate information to members on all matters connected with standardisation and to print, publish, issue and circulate such periodicals, books, circulars, leaflets and other publications as may seem conducive to any of the objects of the Institution.

(k) To establish, subscribe to, promote, become a member of, support, co-operate or amalgamate with any other association, society, institution or company whether incorporated or not whose objects are altogether or in part similar to those of the Institution.

(l) To do all such other lawful things as the Institution may think identical or conducive to the attainment of any or all the objects of the Institution mentioned above.

5. The affairs of the Institution will be managed by a General Council who will so far as is practicable divide the work of the Institution into divisions for the more direct and convenient administration of the affairs and work of the Institution. The General Council will from time to time determine the number of divisions and the committees to be included in each division.

6. The General Council unless otherwise determined by the members thereof will be composed as under :—

(i) One representative each of the Government of India, Departments of :— Industries and Supplies, Commerce, War, Food, Health, Agriculture, Railways, War Transport, Finance, Posts and Air, and Labour .. .. .	11
(ii) One representative each of the eleven Governor's Provinces .. .. .	11
(iii) Five representatives of Indian States .. .. .	5
(iv) Two representatives of the Institution of Engineers (India) .. .. .	2
(v) Two representatives of the Council of Scientific and Industrial Research ..	2
(vi) One representative of the Indian Institution of Architects .. .. .	1
(vii) One representative of the Imperial Council of Agricultural Research ..	1
(viii) One representative of the National Institute of Sciences (India) .. .. .	1
(ix) Two representatives of the Federation of Indian Chambers of Commerce, New Delhi .. .. .	2
(x) One representative of the Associated Chambers of Commerce, Calcutta ..	1
(xi) One representative of the All-India Manufacturers' Organisation, Bombay	1
(xii) One representative of the Federation of the Muslim Chambers of Commerce and Industries, New Delhi .. .. .	1
(xiii) Chairman and two members of each Division Council .. .. .	15
(xiv) One representative each to be elected by the sustaining and ordinary members of the Institution .. .. .	2
(xv) Upto eight persons to be co-opted by the General Council .. .. .	8
(xvi) Such other persons including nominees of Indian States as the Governor-General in Council may from time to time appoint.	

7. The principal Officers of the General Council will be :—

(i) The President who will be the Hon'ble Member of the Governor-General's Executive Council in charge of the department dealing with the subject, now Department of Industries and Supplies.

(ii) Two Vice-Presidents who will be elected from amongst the members of the General Council every year.

(iii) The Director who will be the Secretary of the General Council and all such committees as the General Council may direct.

8. As regards finance, the income of the Institution will be derived from :—

(a) Government grants,

(b) contributions from industry, the Provinces, the States and other interested public bodies,

(c) subscription from members, and

(d) sale of Indian Standards, Specifications, etc.

To secure the financial position and ensure the ordered advance of the Institution, the Government of India have decided to make annual grants from year to year for a period of five years by which time they anticipate the Institution should be largely self-supporting.

9. The Government of India have further decided that the Institution should be registered under the Registration of Societies Act, XXI of 1860. In order to comply with the requirements of the Act, a meeting of those who will constitute the General Council will be convened at an early date to consider the terms of the Memorandum of Association and the Rules and Regulations which have to be filed with the Registrar of Joint Stock Companies.

*Copy of letter No. 411, dated 6th March 1947, from the Association to the Secretary to the Government of India, Department of Industries and Supplies, New Delhi.*

I am directed to draw your attention to my letter No. 411, dated the 18th January 1946,\* in which it was indicated that the Committee of the Association would like to have clarification on certain matters connected with the Rules and Regulations of the Indian Standards Institution, which were then in draft form. No acknowledgment was received to this communication, but the Rules and Regulations of the Indian Standards Institution have since been published in the *Gazette* for the information of the public, practically in the form in which they appeared in the draft.

The particular rule in respect of which clarification was sought was in connection with sub-clauses (b), (d) and (e) of Clause 3 of the Memorandum of Association. It is stated that the objects of the Institution would, *inter alia*, be to promote standardisation, quality control and simplification in industry and commerce, etc. The Committee of the Association would like to be informed about the effects of these sub-clauses on the cotton textile industry and whether the proposed Institution would be in order in recommending standards or laying down specifications for cloth and yarn to be produced for consumption in India and for the export markets, and whether their recommendations would be final and binding on Government.

While my Committee would have no objection to any organised measures to ensure that the actual specifications of the cloth tally substantially with its declared specifications, it would be injudicious to lay down by a statute what should be the specifications of cloth to be produced in this country. These remarks apply only to the cotton textile industry where the production is adjusted according to the taste and requirements of the consumers, which, as Government are aware, are not uniform throughout the country, and also change from time to time.

*Copy of letter No. 1.Std. (2)/IR/45, dated 17th March 1947, from the Officer on Special Duty (Standardisation), to the Association.*

Please refer to your letter No. 411, dated the 6th March 1947.

2. You will have gathered that the Indian Standards Institution is a non-official body. All the standards that are evolved by the Indian Standards Institution will be on a voluntary basis. They cannot be compulsory unless the Government of India decides to enforce any particular standard and in that case the Government will have to pass separate legislation.

3. It would perhaps be helpful if I explain briefly how the standards themselves will be evolved. For example, under the Textile Division Council, Sub-Committees will be formed for drafting standards, say, for a particular type of cloth or yarn. These Sub-Committees will be composed of consumers, producers and technical men all qualified to discuss the particular subject. Generally it will be the aim of the Indian Standards Institution to arrive at suitable standards acceptable to all the interested parties and, therefore, there should be no reason for any misgivings. These committees will obviously bear in mind the manufacturing conditions in India, the machinery and the type of labour available and fix standards which are possible of attainment. Besides, the standards that may be fixed will not necessarily be permanent. The essence of standardisation is that it must be dynamic and must change with changing conditions.

4. I hope the matter is now quite clear to you and you need have no doubts as the standards for textiles will be fixed with the help of consumers and producers who will necessarily keep in mind the tastes and requirements of the consumer, according to different conditions prevailing in the country. If, however, you wish any further information, please don't hesitate to write or if any of your members is likely to visit Delhi, he can come and see me at any time.

### APPENDIX 30.

#### PROPOSED ESTABLISHMENT OF A SECOND COLLEGE OF ENGINEERING IN BOMBAY PROVINCE.

*Press Note P-262, dated 13th March 1946, issued by the Director of Information, Bombay.*

The Government of Bombay proposes to open a second College of Engineering in the Province and has appointed the following Committee to investigate the preliminary details and advise the Government on its location and other matters :

Sir Ardeshir Dalal (Chairman), Seth Kasturbhai Lalbhai, Seth Ambalal Sarabhai, Mr. Neville N. Wadia, the Director of Public Instruction and the Principal of Poona College of Engineering (Secretary).

The Committee has been asked to submit its report to the Government not later than May 1. It will hold its first meeting on March 14. Its terms of reference are :

The location of the College ; the courses in Degree and Diploma and the branches of Engineering which should be taught in the College, and whether they should differ from those taught in the Poona College and if so, in what respect ; the numbers for which provision should be made in the College ; the number and kind of professorships and lecturerships that would be required and the number of demonstrators, etc. ; the layout and equipment of the building, including hostel accommodation ; qualifications for admission to the various courses and reservation of seats for particular communities and State subjects.

*Copy of letter dated 4th April 1946, from Sir Ardeshir Dalal to the Association.*

The Government of Bombay has appointed a Committee composed of the following persons to consider the opening of a second College of Engineering in this Province :—

Sir Ardeshir Dalal (Chairman),  
Mr. Kasturbhai Lalbhai,  
Mr. Ambalal Sarabhai,  
Mr. Neville N. Wadia,  
The Director of Public Instruction,  
The Principal, College of Engineering, Poona (Secretary).

The Committee would be very grateful for your views on the following points in connection with the second Engineering College.

1. The courses in degree and diploma and the branches of engineering which should be taught in the College : whether they should differ from those taught in the Poona College, and, if so, in what respect ?

*N.B.—A note on the courses in the Poona College is appended. (Appendix I).*

2. It will be noticed that a number of subjects are proposed to be started in the post-war development programme. Would it be advisable, in your opinion, to divide the subjects mentioned in the note between the Poona College and the proposed new College, and, if so, how ?

3. On the assumption that the College is to be located in Gujarat, would you advise that College to undertake degree courses (i) in textile engineering, (ii) in chemical engineering ?

4. In connection with textile engineering, should the course be restricted to engineering subjects proper or should it include such subjects as weaving, bleaching, sizing, etc. ? Would such subjects be the proper subjects for instruction in an engineering college as distinguished from a technological institute ?

5. Should the instruction in chemical engineering differ in any way from that being given in the Department of Chemical Technology at Bombay ?

6. Would you suggest any other subjects for instruction besides those mentioned above ?

7. The Committee would be grateful for your views regarding the present training of engineers and the directions in which it can be improved so as to increase their efficiency, particularly in the matter of precision as well as resourcefulness.

8. Have you any views regarding the qualifications for admission to the various courses ? The present qualifications are the Inter Science for the degree course and the Matriculation for the Diploma course. Would you retain these qualifications and would you suggest a further examination for admission to the new College and, if so, what, in your opinion, should be the nature of the test ?

The Committee will be very grateful if your views on the above points are sent to them by the 25th of April and addressed to Sir Ardeshir Dalal, Bombay House, Bruce Street, Fort, Bombay.

#### APPENDIX I.

"The College of Engineering, Poona, at present deals with three branches of Engineering, viz., (1) Civil, (2) Mechanical, and (3) Electrical. Under the new courses recently instituted, the separate courses of Mechanical and Electrical Engineering are now combined into one unit.

Under the post-war development programme, it is proposed to start a degree course in (1) Electrical Tele-Communications, (2) Metallurgy and post-graduate certificate courses in (1) Structural Engineering, (2) Highway Engineering, (3) Automobile Engineering, (4) Water Works and Sanitary Engineering, and (5) Architecture and Town Planning."

*Copy of letter No. 418, dated 26th June 1946, from the Association to Sir Ardeshir Dalal, Kt., Bombay.*

I am directed to acknowledge the receipt of your letter dated the 4th April 1946, in which you request my Committee to express an opinion on certain matters arising out of the establishment of a second Engineering College in Bombay. At the outset, I am desired to express my Committee's regret for their inability to send their memorandum at an earlier date. The fact is, as has been pointed out by me, that the various Committees and Sub-Committees of the Association have been busy with several other pressing matters, and this particular question was unavoidably delayed.

Before dealing with the various questions raised by you, I am desired by my Committee to point out that, while there cannot be any difference of opinion on the question of establishing more Engineering Colleges in the country in view of the ever increasing demand for technical men, the need for co-ordinating the work of the various Universities, Engineering Colleges, Technological Departments, Technical Institutes and Trade and Industrial Schools of the country is even greater and more urgent, to prevent unnecessary overlapping in courses of studies, waste in equipments, etc. Moreover, the Degrees and Diplomas given in most of these institutions have no all-India currency, status or recognition, with the result that they are available and are accepted as authoritative only to a very limited extent. This state of affairs is inevitable so long as there is no centralised and co-ordinated action in the matter of preparing the curriculum of studies in various institutions, but it is the student who suffers, and the country which loses at the end as a result of this confusion. Another matter which arises in this connection is that suitable changes should also be made in the curriculum of studies prescribed for the middle and high school courses, importing an industrial and commercial bias into it, the aim being to develop manual and artistic skill in the

boy ; to discover his aptitudes and tastes ; and to provide introduction to the various arts, trades and industries. These matters have no direct immediate relevancy to the particular points raised by you, but the question is worth considering as to whether and, if so, to what extent the defects pointed out above may be remedied in the proposed College.

In this connection, your attention is invited to the paper read by Mr. C. E. Preston very recently at the 25th Annual Meeting of the Institution of Engineers on the Post-war Education and Training of Engineering Personnel, and to the proceedings of the last meeting of the All-India Council for Technical Education.

So far as this Association is concerned, it attaches great importance to the institution of facilities for post-graduate and research studies in textile engineering. This is particularly so in view of the proposed establishment in India of an industry for the manufacture of textile machinery. This is likely to require technical men of a very high order, like designers and master engineers who will be responsible not only for the conduct and guidance of the proposed industry, but will also be capable of keeping abreast of developments in other countries, apart from applying their own inventive genius to the business. It is doubtful whether these admirable qualities or capabilities could be attained unless the student who has taken a degree in mechanical engineering is given opportunities to secure a working knowledge of the various processes involved in the manufacture of cotton goods, and is also given opportunities to do some research in addition to actual practical work in cotton mills. A post-graduate course of a reasonable duration in textile engineering seems to offer the right solution to this problem, and my Committee suggest that the incorporation of such a course in the proposed College of Engineering be seriously considered.

From the point of view of the cotton textile industry, it is doubtful whether Gujarat is the most convenient and appropriate centre for the location of the proposed Engineering College if, as suggested, textile engineering were to be included in the curriculum. A textile engineer is after all a mechanical engineer, with a working knowledge of the various processes of textile manufacture, and if the necessity for the avoidance of duplication of studies and wastage of equipment is conceded, then the most appropriate centre for the location of such a College seems to be Bombay where the Victoria Jubilee Technical Institute already exists. Obviously, it would be too much to expect an Engineering College responsible for only post-graduate studies to undertake the teaching of subjects like spinning and weaving which are so indispensable to a student wishing to specialise in textile engineering. This should be undertaken in institutions like the Victoria Jubilee Technical Institute, Bombay, and there is no reason why satisfactory arrangements could not be made between the V.J.T.I. and the proposed College to permit of engineering students taking the textile engineering course receiving their tuitions in spinning and weaving from the trained staff of the V.J.T.I.

Another suggestion which my Committee would like to make is that students who take a degree in textile manufacture should also have a special post-graduate course in the proposed College, to enable them to do some practical research in textile designing, layout of machinery in textile mills, etc., and labour problems including wage fixation methods, etc. Students taking only a degree in textile manufacture would not be capable of occupying higher administrative posts in textile mills without a long period of apprenticeship, but it is thought that the additional post-graduate course which is recommended would give them a chance if the post-graduate course were also coupled with further practical work in cotton mills.

With these preliminary remarks, I now turn to the specific questions raised by you :—

*Question 1.*— The courses in degree and diploma and the branches of engineering which should be taught in the College : whether they should differ from those taught in the Poona College, and, if so, in what respect.

*Answer.*— This is a matter which calls for consultation between the authorities at Poona and the authorities of the proposed College, but it seems to us, as laymen, that college studies should be supplemented by practical work in the appropriate factories and industries. At present we understand that facilities for practical work exist only to a very limited extent.

*Question 2.*— It will be noticed that a number of subjects are proposed to be started in the post-war development programme. Would it be advisable, in your opinion, to divide the subjects mentioned in the note between the Poona College and the proposed new College, and, if so, how ?

*Answer.*—This is a matter for the educational authorities to decide. The guiding factor should be the proximity of industry to facilitate practical training of the students.

*Question 3.*—On the assumption that the College is to be located in Gujarat, would you advise that College to undertake degree courses (i) in textile engineering, (ii) in chemical engineering ?

*Answer.*—(i) The answer is in the affirmative. Textile Engineering Courses should be adopted as a post-graduate course after a degree in mechanical engineering has been taken.

(ii) No separate chemical engineering course is necessary for the time being as the facilities available at the Department of Chemical Technology, Bombay, seem to be ample for all practical purposes.

*Question 4.*—In connection with textile engineering, should the course be restricted to engineering subjects proper or should it include such subjects as weaving, bleaching, sizing, etc. ? Would such subjects be the proper subjects for instruction in an engineering college as distinguished from a technological institute ?

*Answer.*—The Textile Engineer is essentially a Mechanical Engineer, but he should have a working knowledge of the various processes involved in the manufacture of cotton piecegoods. This working knowledge cannot obviously be given by lectures in the proposed College, and it is suggested that arrangements for these lectures be made at the Victoria Jubilee Technical Institute.

*Question 5.*—Should the instruction in chemical engineering differ in any way from that being given in the Department of Chemical Technology at Bombay ?

*Answer.*—It is suggested that the results of the working of the Department of Chemical Technology be carefully watched for some time and changes, if any, required in the course of instruction may be made in the light of the experience gained.

*Question 6.*—Would you suggest any other subjects for instruction besides those mentioned above ?

*Answer.*—This question has already been answered in the preamble. The Association also recommends a post-graduate course in textile manufacture.

*Question 7.*—The Committee would be grateful for your views regarding the present training of engineers and the directions in which it can be improved so as to increase their efficiency, particularly in the matter of precision as well as resourcefulness.

*Answer.*—This question has been partly answered in the preamble to this memorandum, and some of the defects inherent in the existing schemes of basic and engineering education have been referred to. The drawback with our present Colleges and Technical Institutions at present seems to be that they tend to give only theoretical instructions with a certain amount of practical work, but the capacity for doing research and for utilising originality is left undeveloped, with the result that very little progress is possible in the industry. The few Engineering Colleges we have at present teach engineering from text books, and when the products of these colleges enter the industrial field, their shortcomings become painfully evident. Even when their college career is followed by reasonably good practical training, the majority of our young men do not acquire the confidence necessary for the job, and do not seem to command the respect of the men who work under them, or the confidence of the men for whom they work. The problem, therefore, is how to compress into a young man's training, scientific, technical and liberal education. Apart from facilities for practical work in the trade or industry, in which they have specialised, engineering college students need to have closer and more intimate associations during their years of under-graduateship with teachers of sound experience and repute, and bearing this in mind, it is important to give the young engineer liberal education in social matters including the art of dealing with men and matters.

*Question 8.*—Have you any views regarding the qualifications for admission to the various courses ? The present qualifications are the Inter Science for the degree course and the Matriculation for the Diploma course. Would you retain these qualifications and would you suggest a further examination for admission to the new College and, if so, what, in your opinion, should be the nature of the test ?

*Answer.*—So far as the Textile Engineering Course is concerned, admission should be limited to those who have taken the degree course in Engineering, for a Textile Engineer is essentially a Mechanical Engineer.

I am sorry for the delay which has occurred in submitting this memorandum, but I trust that it will still be possible for your Committee to take into consideration the views expressed in this memorandum.

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## APPENDIX 31.

### COMPULSORY REGISTRATION OF BUSINESS NAMES.

*Copy of letter No. 23(20)-Tr(C.L.)/46, dated 18th October 1946, from the Assistant Secretary to the Government of India, Department of Commerce to all Chambers of Commerce, etc.*

I am directed to say that a proposal is under the consideration of the Government of India for promoting legislation to provide for compulsory registration of business names generally on the lines of the U.K. Registration of Business Names Act, 1916. The U.K. Act is a comprehensive legislation and all firms and persons carrying on business are required to register their business names and furnish other particulars, unless the business is carried on in the true names of the proprietors. Changes in the owners and names of firms are also required to be intimated, and every individual and firm required to be registered under the Act has to exhibit the true names of the proprietor or partner on business letters, trade circulars, catalogues, etc. Under section 8 of the Act, the disability of persons in default is that they cannot enforce by legal action their rights arising out of any contract connected with their businesses.

2. To facilitate a full examination of the proposal in all its aspects, the Government of India would be glad if you would be so good as to communicate to this Department by the 30th November, 1946 any comments which your Chamber/Association may wish to offer in the matter.

*Copy of letter No. 428, dated 26th November 1946, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.*

I am directed to acknowledge the receipt of your letter No. 23(20)-Tr(C.L.)/46, dated the 18th October 1946, in which you request my Committee to express an opinion on the question of introducing legislation to provide for compulsory registration of business names generally on the lines of the U.K. Registration of Business Names Act, 1916. In reply, I am to say that my Committee are in agreement with the principle underlying the proposed legislation.

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## APPENDIX 32.

### PROPOSALS FOR MODERNISING OF PRINCE'S AND VICTORIA DOCKS.

*Copy of letter No. W5301, dated 4th December 1945, from the Acting Secretary, Bombay Port Trust, to the Association.*

I am directed to forward herewith a copy of a Report\* which has been prepared by Mr. G. E. Bennett, M.Sc., M.Inst.C.E., M.I.Mech.E., a former Chief Engineer of the Bombay Port Trust, and Mr. G. E. Terrey, M.Inst.C.E., Chief Engineer (on leave prior to retirement), on the possibility of increasing the depth of water in Prince's and Victoria Docks so as to permit deeper draft vessels to use the docks and to dock and undock throughout the day.

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\* Not published.



It will be seen that of the three schemes the minimum scheme is roughly estimated to cost Rs. 1,88,73,000 and the complete scheme plus the three off berths proposed to be constructed on the face of the dam, Rs. 2,39,52,000. The estimates are based on pre-war costs.

I am to request that the Trustees may kindly be favoured with the observations of your Association on the proposals made in the Report, not later than the 15th of January 1946.

*Copy of letter No. 407, dated 8th January 1946, from the Association to the Acting Secretary, Bombay Port Trust, Bombay.*

With reference to your letter No. W5301, dated 4th December 1945, I am directed to state that the Committee of this Association are generally in favour of modernising the Prince's and Victoria Docks as far as possible. In regard to the proposals outlined in the report sent by you, the Committee would like to suggest that the Port Trust might take outside expert opinion on the general issue as to whether these proposals represent the best way of modernising the Prince's and the Victoria Docks.

*Copy of letter No. W 298, dated 11th January 1946, from the Acting Secretary, Bombay Port Trust, to the Association.*

With reference to your letter No. 407, dated 8th January 1946, regarding the scheme for the modernisation of Prince's and Victoria Docks, I am directed to state that the Chairman has already informed the Board of Trustees that "after the various bodies have had the opportunity of offering their observations and these have been considered by the Trustees, the papers will be sent to the Port Trust Consulting Engineers and Agents in England for obtaining the best expert opinion in regard to the technical aspects of the scheme."

### APPENDIX 33.

#### CONSTRUCTION OF A GENERAL PURPOSE INDEX NUMBER OF WHOLESALE PRICES.

*Copy of letter No. D.R.S. 364/Sy. 2-45, dated 7th December, 1945, from the Economic Adviser, Reserve Bank of India, Bombay, to the Association.*

We are attempting to construct a general purpose index number of wholesale prices in India. In this connection, we require a list of important commodities with varieties traded in together with the chief markets for the same. In selecting the varieties, only the most important ones need be given. Your advice in the selection of commodities and varieties will be most helpful. We shall be obliged also if you will kindly let us know whether we could have regular quotations for such commodities and the sources from which the quotations could be obtained. A tentative list of the commodities selected by us is enclosed herewith for purposes of illustration of our requirements. We also enclose for your information and comments a list of important foreign imports which we intend to include in the compilation.

2. From several points of view, we consider that the calendar year 1938 might be chosen as the base period in the first instance. This base may be changed after conditions again return to normal. The final decision as to the base period will be made after full consideration of the material to be supplied by you because it is necessary that the quotations for all commodities should be available for the base period.

3. It would be convenient if you will kindly send your views before the 10th January 1946 as we intend to have a personal discussion with representatives of your Association at a later date.

## BOMBAY

<i>Commodity.</i>	<i>Variety.</i>
Jowar .. .. .	Sholapuri
Bajra .. .. .	Ghati
Gram .. .. .	
Salt .. .. .	Bombay (black)
Linseed .. .. .	Bold
Rapeseed .. .. .	Cawnpore
Groundnut .. .. .	Bold
Sesamum .. .. .	White seed
	Bold seeds
Cotton (Raw) .. .. .	Broach F.G.
	Khandesh F.G.
	Oomra fine
Cotton (Manufactured) .. .. .	Grey yarn
	Shirtings
	Longcloth
	Chaddars
	Sarees
	Coatings
	Dhoties
Wool .. .. .	Bikaner
Petrol .. .. .	
Cement .. .. .	

TABLE II

*Important Foreign Imports*

<i>Food and Drink.</i>	<i>Others.</i>
(1) Tinned foods.	(1) Paper.
(2) Liquors.	(2) Glassware.
(3) Spices.	(3) Drugs and medicines.
	(4) Vehicles.
<i>Capital Goods.</i>	(5) Rubber manufactures.
(1) Machinery.	(6) Cotton textiles.
(2) Instruments.	(7) Silk ..
(3) Electrical goods.	(8) Woollen ..
(4) Hardware, etc.	(9) Cotton (Raw).
(5) Non-ferrous metals.	
(6) Chemicals and dyes.	
(7) Mineral oils other than petrol and kerosene.	

*Copy of letter No. 163, dated 18th January 1946, from the Association to the Economic Adviser, Reserve Bank of India, Bombay.*

I am directed to acknowledge the receipt of your letter No. DRS. 364/Sy. 2-45, dated the 7th December 1945, and to say that so far as the Association is concerned, we would like to confine ourselves to the prices of cotton piecegoods and yarn. As you are aware, the Association has been issuing every fortnight a publication entitled "Average Quotations for Local-made Piecegoods and Yarn". I send a copy of this publication for ready reference, and it is suggested that the prices included in the publication be taken in for the time being in the compilation of your index number.

At a later stage, when the controls are removed, it may be necessary to reconstruct our Average Quotations, and if and when this is done, you might also change your basis.

## APPENDIX 34.

## RULES UNDER THE INDUSTRIAL STATISTICS ACT.

## STATISTICS RELATING TO DYEING AND BLEACHING ESTABLISHMENTS.

*Copy of letter No. CS4/367, dated 26th June 1946, from the Central India Spinning Weaving and Manufacturing Co., Ltd., to the Association.*

As desired in your letter No. 161 of 18th June, we enclose herewith in original the form referred to in paragraph 2 of letter No. 3-SG(3)/46 of 30-5-1946 from the Director, of Industrial Statistics, Department of Industries and Supplies, New Delhi. We regret we are unable to send you a copy of this form as it is too lengthy to be copied out.

Please return the same when you have done with it.

*Copy of letter No. 3-SG(3)/46, dated 30th May 1946, from the Director of Industrial Statistics, Government of India Department of Industries and Supplies, to Messrs. Empress Mills, No. IV, Dye and Bleach Works, Nagpur.*

I am directed to say that you may be aware that some time ago the Provincial Governments at the instance of the Government of India issued the Census of Manufacturing Industries Rules, 1945 and served notices on factories falling under certain industries to furnish returns in the prescribed form. The object with which these returns have been asked for is to conduct a census of manufacturing industries in India on the lines on which such censuses have been conducted in other countries for a long time past. Up to now the "Textile Dyeing, Bleaching, Finishing and Processing (including Mercerising, Printing, Calendering, Glazing, Proofing, etc.) Industry" was not included among the industries covered by the Census of Manufacturing Industries Rules, 1945. It is, however, now proposed to extend the rules to cover this industry as well.

2. With this object in view, a form in which return will be required to be submitted by factories engaged in the "Textile Dyeing, Bleaching, Finishing and Processing (including Mercerising, Printing, Calendering, Glazing, Proofing, etc.) Industry" has been drafted. Copies of Parts (E) and (F) of this form, which deal respectively with materials consumed and products and by-products made as well as work done for other firms are enclosed.\* I am to request that the enclosed draft may kindly be scrutinised by you and your suggestions for improvement in them may kindly be communicated to this Department. In this connection, I am particularly to invite your comments on the following points :-

- (i) In Part (F) of the draft it will be noticed that item I consists of "Products made for sale from materials purchased by the factory" and item III consists of "Work done for other firms or customers on materials supplied by them." Under each of these items the sub-items are exactly the same. It is not definitely known whether firms engaged in "Textiles Dyeing, Bleaching, Finishing and Processing (including Mercerising, Printing, Calendering, Glazing, Proofing, etc.) Industry" do carry on manufacturing processes to any considerable extent on materials purchased by them. If most of their work is done on commission basis for other firms who wish to get their materials processed, Part (F) of the form could be simplified to a considerable extent.
- (ii) A number of processes like dyeing, bleaching, mercerising, etc., are lumped together under one heading in Part (F). Would it be desirable to show each one of these processes separately?
- (iii) Under the head "Cloth" in Part (F) the only sub-divisions shown are by cotton cloth, silk cloth, spun silk cloth, artificial silk cloth, etc., but varieties of cloth are not shown. Is it necessary to show separately varieties of cloth made from the same fibre?

(iv) In Part (E) under item II the list of chemicals and auxiliary materials appears to be too elaborate. Could some of the less important ones out of these be left out without loss of any essential information.

(v) From Parts (E) and (F) it will be seen that so far as proofing is concerned, this form is likely to cover only oil proofing or preparation of oil cloth and manufacture of imitation leather. Rubber proofing is not covered. It would be of interest to know whether rubber proofing is carried out by entirely distinct factories or whether factories to be covered by this form also carry out rubber proofing of textiles. Any general comments which you may have to offer in connection with this draft may also kindly be forwarded to this Department.

3. If there are any associations of firms engaged in "Textile Dyeing, Bleaching, Finishing and Processing (including Mercerising, Printing, Calendering, Glazing, Proofing, etc.) Industry", their names and addresses may kindly be communicated so that they may also be consulted. If associations do not exist, the names and addresses of important firms which can usefully be consulted may kindly be sent.

4. It will be appreciated if your suggestions and comments are forwarded as early as possible.

*Copy of letter No. 161, dated 26th July, 1946, from the Association, to the Director of Industrial Statistics, Department of Industries and Supplies, Government of India, New Delhi.*

The attention of the Association has been drawn to your letter No. 3-SG(3)/46, dated the 30th May 1946, addressed to the Empress Mills, No. IV—Dye and Bleach Works—Nagpur. Perhaps a similar communication has been addressed by you to all cotton spinning and weaving mills which also have a bleaching, dyeing and/or printing department. As several members of the Association have a bleaching, dyeing and/or printing establishment attached to their cotton spinning and weaving establishments, the former constituting only a subsidiary to the latter, I am writing this letter to you in the hope that the suggestions made in this communication would receive careful consideration before final orders are passed.

I am directed to point out at the outset that, on the whole, bleaching, dyeing and/or printing establishments may be divided into the following broad categories:—

- (a) Those which form part and parcel of cotton spinning and weaving establishments; and
- (b) Those which do not form part of spinning and weaving establishments, and have a separate and independent existence altogether.

Classification (a) may be further sub-divided into two sections according as the establishments accept or do not accept work from outside parties, and the same is the case with classification (b).

As regards the establishments falling within the scope of classification (a), my Committee consider that Government should exempt them altogether from the provisions of the Industrial Statistics Act for the reason that, so far as production is concerned, the quantities handled by such establishments would have been already included in the returns submitted by the parent spinning and weaving mill. The same would have been the case in connection with quantities of raw materials used, such as bleaching and dyeing materials used. It would be unreasonable to expect bleaching and dyeing establishments attached to individual mills, which also accept work from outside, to keep separate record of the stores, etc., used by them in processing such outside cloth.

In regard to bleaching, dyeing and/or printing establishments falling within the scope of classification (b), my Committee suggest that they be exempted altogether from the provisions relating to quantities of goods produced, for the reason that the information would already have been included in the returns of the parent mill which originally produced the grey cloth. My Committee, however, agree to these establishments sending a return showing the quantities of raw materials and stores used by them in the course of processing of cloth and yarn.

*Copy of letter No. 161, dated 26th July, 1946, from the Association to all Members.*

I am directed to enclose herewith for your information copy of a communication No. 161, dated the 26th July 1946, addressed by me to Mr. B. N. Kaul, Director of Industrial Statistics, Department of Industries and Supplies, Government of India, New Delhi, in connection with the proposed form relating to the statistics to be maintained by bleaching, dyeing and/or printing establishments, under the Industrial Statistics Act.

In view of the communication already addressed by the Association to Government, it is considered that individual mills need not reply to Government's communication, in case Government have already addressed them in this matter.

*Copy of letter No. 3-SG(3)/46, dated 30th July 1946, from the Director of Industrial Statistics, to the Association.*

I am directed to say that you may be aware that some time ago the Provincial Governments at the instance of the Government of India issued the Census of Manufacturing Industries Rules, 1945; and served notices on factories falling under certain industries to furnish returns in the prescribed form. The object with which these returns have been asked for is to conduct a census of manufacturing industries in India on the lines on which such censuses have been conducted in other countries for a long time past. Up to now the "Textile Dyeing, Bleaching, Finishing and Processing (including Mercerising, Printing, Calendering, Glazing, Proofing, etc.) Industry" was not included among the industries covered by the Census of Manufacturing Industries Rules, 1945. It is, however, now proposed to extend the rules to cover this industry as well.

2. With this object in view, a form in which return will be required to be submitted by factories engaged in the "Textile Dyeing, Bleaching, Finishing and Processing (including Mercerising, Printing, Calendering, Glazing, Proofing, etc.) Industry" has been drafted. Copies of Parts (E) and (F) of this form, which deals respectively with materials consumed and products and by-products made as well as work done for other firms are enclosed.\* I am to request that the enclosed draft may kindly be scrutinised by you and your suggestions for improvement in them may kindly be communicated to this Department. In this connection, I am particularly to invite your comments on the following points:—

- (i) In part (F) of the draft it will be noticed that item I consists of "Products made for sale from materials purchased by the factory" and item III consists of "Work done for other firms or customers on materials supplied by them." Under each of these items the sub-items are exactly the same. It is not definitely known whether firms engaged in "Textiles Dyeing, Bleaching, Finishing and Processing (including Mercerising, Printing, Calendering, Glazing, Proofing, etc.) Industry" do carry on manufacturing processes to any considerable extent on materials purchased by them. If most of their work is done on commission basis for other firms who wish to get their materials processed, Part (F) of the form could be simplified to a considerable extent.
- (ii) A number of processes like dyeing, bleaching, mercerising, etc., are lumped together under one heading in Part (F). Would it be desirable to show each one of these processes separately?
- (iii) Under the head "Cloth" in Part (F) the only sub-divisions shown are cotton cloth, silk cloth, spun silk cloth, artificial silk cloth, etc., but varieties of cloth are not shown. Is it necessary to show separately varieties of cloth made from the same fibre?
- (iv) In Part (E) under item II the list of chemicals and auxiliary materials appears to be too elaborate. Could some of the less important ones out of these be left out without loss of any essential information.

- (v) From Parts (E) and (F) it will be seen that so far as proofing is concerned, this form is likely to cover only oil proofing or preparation of oil cloth and manufacture of imitation leather. Rubber proofing is not covered. It would be of interest to know whether rubber proofing is carried out by entirely distinct factories or whether factories to be covered by this form also carry out rubber proofing of textiles.

Any general comments which you may have to offer in connection with this draft may also kindly be forwarded to this Department.

3. If there are any associations of firms engaged in "Textile Dyeing, Bleaching, Finishing, and Processing (including Mercerising, Printing, Calendering, Glazing, Proofing, etc.) Industry" their names and addresses may kindly be communicated so that they may also be consulted. If associations do not exist, the names and addresses of important firms which can usefully be consulted may kindly be sent.

4. It will be appreciated if your suggestions and comments are forwarded as early as possible.

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*Copy of letter No. 161, dated 7th August 1946, from the Association to the Director of Industrial Statistics, Department of Industries and Supplies, New Delhi.*

I have to acknowledge with thanks your undated letter No. 3-SG(3)/46, regarding the form which you propose to prepare for collecting certain statistics from textile dyeing, bleaching, finishing and processing industry. Would you please refer in this connection to my letter No. 161, dated the 26th July 1946, in which I have already dealt with this matter?

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*Copy of letter No. 3-SG(3)/46, dated 31st August 1946, from the Director of Industrial Statistics to the Association.*

With reference to your letters No. 161 dated the 26th July and 7th August 1946, I am directed to explain that under the Industrial Statistics Act, 1942, the unit of industry for the purpose of study is a factory as defined under the Factories Act, 1934, and not a concern or a firm. Under the circumstances, the scheme of the census of manufacturing industries provides that a return should be asked for from each factory engaged in an industry covered by the Census of Manufacturing Industries Rules, 1945. In view of this, it would not be feasible to exclude any establishment engaged in Textiles Dyeing, Bleaching, Finishing and Processing (including Mercerising, Printing, Calendering, Glazing, Proofing, etc.) Industry, if it is a separate factory in accordance with the provisions of the Factories Act, 1934.

2. With regard to the point that the products of factories engaged in textiles dyeing bleaching, finishing and processing (including Mercerising, Printing, Calendering, Glazing, Proofing, etc.) Industry would also up to a point be included in the products of factories engaged in cotton textiles—spinning and weaving form (Form No. CMI-(18)), I am to add that in a number of industries this feature, which brings in an element of duplication, occurs. The products of one industry become the raw materials of another. But if the total contribution to the productive processes made by any industry is to be estimated, each unit engaged in that industry has to be taken account of.

3. This Department will be obliged if you will also kindly forward your views on other points raised in this Department's letter No. 3-SG(3)/46 dated the 18th July 1946.

4. The names of any other associations of textiles—spinning and weaving factories which can be usefully consulted, in connection with the finalisation of the form relating to Textiles Dyeing, Bleaching, Finishing and Processing (including Mercerising, Printing, Calendering, Glazing, Proofing, etc.) Industry may also kindly be communicated to this Department. The names of factories and associations of factories engaged in Textiles Dyeing, Bleaching, Finishing and Processing (including Mercerising, Printing, Calendering, Glazing, Proofing, etc.) Industry, which have a separate and independent existence, and are not in any way

connected with spinning and weaving factories, and which may be usefully consulted in this connection, may also kindly be forwarded.

*Copy of letter No. 161, dated 7th October 1946, from the Association to the Director of Industrial Statistics, Department of Industries and Supplies, New Delhi.*

I am directed to acknowledge the receipt of your letter No. 3-SG(3)/46, dated the 31st August 1946, and to point out that if cotton spinning and weaving establishments, which have also a bleaching, dyeing and printing section attached to them would not be required to send in a separate return in respect of the bleaching, dyeing and printing activities, then this Association would have no objection. In other words, my Committee's understanding of the requirements of Government is that a separate return would be asked for if—and only if—bleaching and dyeing establishments existed as a separate entity and had no connection whatsoever with cotton spinning and weaving establishments.

If the Association's understanding of Government's intention is correct, will you please confirm ?

*Copy of letter, No. 3-SG(3)/46, dated 1st December 1946, from the Director of Industrial Statistics, to the Association.*

With reference to your letter No. 161 of 1946 dated the 7th October 1946, I have the honour to say that the position regarding the furnishing of returns by factories engaged in Textile Dyeing, Bleaching, Finishing and Processing (including Mercerising, Printing, Calendering, Glazing, Proofing, etc.) Industry was already explained in paragraph 1 of this office letter No. 3-SG(3)/46, dated the 30th August 1946. If an establishment engaged in textile dyeing, bleaching, finishing and processing, industry is registered as a factory under the Factories Act, 1934, a return for this establishment will have to be furnished separately, even if this factory is owned by a firm which owns another factory engaged in cotton textiles (spinning and weaving) industry. But if a factory, which is primarily a cotton textile (spinning and weaving) factory, also carries on in the same factory any processes connected with dyeing, bleaching, finishing, processing, etc., it would not be required to furnish a separate return in respect of its activity connected with dyeing, bleaching, etc. It is hoped that the position in this respect will now be clear to the Millowners' Association.

*Copy of letter No. 161-B, dated 12th December, 1946, from the Association to all Members.*

Members will remember that, some time ago, mills which were also engaged in Textile Dyeing, Bleaching, Finishing and Processing Industry, were addressed direct by the Director of Industrial Statistics of the Government of India, inviting comments on certain forms which Government have devised for securing certain statistics regarding the consumption of stores and raw materials, etc., relating to that industry. This matter was taken up by the Association on behalf of the mills concerned, and it has now been ascertained that, if an establishment engaged in textile dyeing, bleaching, finishing and processing industry is registered as a factory under the Factories Act, 1934, a return for this establishment will have to be furnished separately, even if this factory is owned by a firm which owns another factory engaged in cotton textiles (spinning and weaving) industry. But if a factory, which is primarily a cotton textile (spinning and weaving) factory, also carries on in the same factory any processes connected with dyeing, bleaching, finishing, processing, etc., it would not be required to furnish a separate return in respect of its activity connected with dyeing, bleaching, etc.

It will be seen from the above that *cotton spinning and weaving mills which are also doing textile bleaching, dyeing, finishing and processing*, need not send in a separate return and all that they are expected to do is to fill in the form relating to cotton textiles—spinning and weaving industry. The special form designed for textile dyeing, bleaching, finishing and processing industry would not be applicable to them.

**APPENDIX 35.****STATISTICS RELATING TO THREAD AND THREAD-BALL MAKING  
INDUSTRY**

*Copy of letter No. 3-SG(5)/46, dated 28th August 1946, from the Director of Industrial Statistics, Department of Industries and Supplies, Government of India, to the Association.*

I am directed to say that you may be aware that some time ago the Provincial Governments, at the instance of the Government of India, issued the Census of Manufacturing Industries Rules, 1945, and have served notices on factories falling under certain industries to furnish returns in the prescribed form. The object with which these returns have been asked for is to conduct a census of manufacturing industries in India on the lines on which such censuses have been conducted in other countries for a long time past. Up to now, thread and thread-ball making industry was not included among the industries covered by the Census of Manufacturing Industries Rules, 1945. It is, however, now proposed to extend the Rules to cover this industry as well.

2. With this object in view, a form in which return will be required to be submitted by the factories engaged in thread and thread-ball making industry has been drafted. Copies of Parts (E) and (F) of this form, which deals respectively with materials consumed and products and by-products made for sale, are enclosed\*. I am to request that the enclosed drafts may kindly be scrutinised by you and your suggestions for improvement in them may kindly be communicated to this Department. I am particularly to invite your comments on the following points :—

- (1) The drafts are intended to cover all manufacturers of thread and thread balls, who may possibly fall under three classes (i) those who manufacture their own yarn from cotton, silk, etc., and then prepare thread from it; (ii) those who purchase yarn and manufacture thread and prepare thread balls, spools, etc., and (iii) those who purchase thread and merely roll it up in the form of balls, spools, etc. The lists of materials and chemicals, etc., used in the process of manufacture, and products made, should be comprehensive enough to cover all these types of manufactures. If the existing lists are not comprehensive enough, your suggestions relating to the items which should be added, together with the unit of quantity applicable to each item may kindly be forwarded.
- (2) Some of the bigger manufacturers of thread may also be manufacturing other articles. If this is so, the form should be comprehensive enough to cover all the principal other articles which are associated with the manufacture of thread.
- (3) Threads in Part (F) under "Products" have been classified according to the fibre from which they are made, and have also been further sub-classified according to the purpose for which the thread is to be used. You may kindly scrutinise this classification and say whether it is satisfactory.

Any general comments or suggestions which you may have to offer in connection with these drafts may also kindly be forwarded to this Department.

3. If there are any associations of manufacturers of thread and thread balls, their names and addresses may kindly be communicated, so that they may also be consulted. If associations do not exist, the names and addresses of firms, which can be usefully consulted in this matter, may kindly be sent.

4. It will be appreciated if your suggestions and comments are forwarded as early as possible.

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\* Not printed.



*Copy of letter No. 161, dated 7th November 1946, from the Association to the Director of Industrial Statistics, Department of Industries and Supplies, New Delhi.*

I am directed to acknowledge the receipt of your letter No. 3-SG(5)/46, dated the 28th August 1946, in which you invite by committee's comments on the proposal to include thread and thread-ball making industries as one of the industries to be covered by the Census of Manufacturing Industries Rules, 1945.

In this connection, I am desired to point out at the outset that, on the whole, thread manufacturing establishments may generally be divided into the following categories :—

- (a) Those which form part and parcel of cotton spinning and weaving establishments ;  
and
- (b) Those which do not form part of spinning and weaving establishments, and have a separate and independent existence altogether.

With regard to the establishments falling under group (a), it is submitted that cotton spinning and weaving establishments, in which thread making is also carried on as a side business would be submitting a return which would include all statistical data relating to cotton spinning, weaving, thread making, etc. In this view of the case, it is submitted that such establishments be exempted altogether from the scope of the proposed returns.

With regard to establishments falling under group (b), my Committee have no objection if separate returns were asked for from them in respect of their thread making business, but here again it is pointed out that a certain amount of overlapping is inevitable.

In any event, the case for exemption in favour of establishments coming under group (a) is very strong, as they would already be submitting a consolidated return to cover the entire business.

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*Copy of letter No. 3-SG(5)/46, dated 30th November 1946, from the Director of Industrial Statistics, Department of Industries and Supplies, Government of India, to the Association.*

With reference to your letter No. 161, dated the 7th November, 1946, I have the honour to say that the Census of Manufacturing Industries Rules, 1945, apply to manufacturing units defined as "factories" under section 2 (J) of the Factories Act, 1934. Therefore, thread manufacturing establishments which form part and parcel of spinning and weaving mills will not come within the scope of the proposed form of return for the thread and thread-ball making industry only if (i) they are not separately registered as factories and (ii) if the principal processes in which the mill is engaged are spinning and weaving and not thread and thread-ball making, in which case, the mill will be required to furnish returns in the form proposed for the "Cotton textiles-- spinning and weaving" industry, C.M.I.-(18).

2. With regard to the overlapping spoken of by you as inevitable in the case of establishments falling under group (b) of your classification of the thread manufacturing establishments, I am to enquire as to what is the kind of overlapping that is referred to in this connection.

3. It will be much appreciated if your comments on the three specific points raised in para. 2 of this office letter of even No. dated the 28th August 1946 are also kindly forwarded at a very early date.

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*Copy of letter No. 161, dated 10th December 1946, from the Association to the Director of Industrial Statistics, Department of Industries and Supplies, Government of India, New Delhi.*

I am directed to acknowledge the receipt of your letter No. 3-SG(5)/46, dated the 30th November 1946.

I note that thread manufacturing establishments which form part and parcel of spinning and weaving mills, will not come within the scope of the proposed return for the thread and thread-ball making industry only if (i) they are not separately registered as factories ; and (ii) if the principal processes in which the mill is engaged are spinning and weaving, and not thread and thread-ball making.

With regard to the second paragraph of your letter under reply, the overlapping referred to in my communication No. 161, dated the 7th November 1946, would arise if some of the processes connected with the thread and thread-ball making industry were done in a different establishment altogether.

For instance, a cotton spinning and weaving establishment, registered under the Indian Factories Act, is also manufacturing and selling thread and thread-balls. One or two of the processes involved in the manufacture and marketing of threads and thread-balls may have been done in another premise separately registered under the Indian Factories Act. In such cases, it was thought that the figures relating to the same quantity of thread would be returned by two establishments, resulting in an overlapping.

With regard to the three specific issues raised in your communication dated the 28th August 1946, I am to say that this Association has no observations to make thereon, but it is requested that a communication may please be sent to the following establishments on the particular issues :—

- (1) Messrs. The Kohinoor Mills Co., Ltd., Killick Building, Home Street, Fort, Bombay.
- (2) Messrs. Thackersey Mooljee & Co., Sir Vithaldas Chambers, Apollo Street, Fort, Bombay.
- (3) Messrs. The Central India Spg., Wvg. & Mfg. Co., Ltd., Nagpur.
- (4) Messrs. The Khatau Makanji Spg. & Wvg. Co., Ltd., Laxmi Building, 2B, Ballard Pier, Bombay.
- (5) Messrs. The Ahmedabad Mfg. & Calico Printing Co., Ltd., Post Box No. 12, Ahmedabad.

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*Copy of letter No. 161-A, dated 10th December 1946, from the Association to all Members.*

Members will remember that, some time ago, mills which were also manufacturing thread and thread-balls were addressed direct by the Director of Industrial Statistics of the Government of India, inviting comments on certain forms which Government had devised for securing production and other statistics relating to the thread and thread-ball making industry. This matter was taken up by the Association on behalf of the mills concerned, and it has now been ascertained that the Census of Manufacturing Industries Rules, 1945, apply only to manufacturing units defined as "factories" under section 2 (J) of the Factories Act, 1934. Therefore, thread manufacturing establishments which form part and parcel of spinning and weaving mills will not come within the scope of the proposed form of return for the thread and thread-ball making industry only if (i) they are not separately registered as factories, and (ii) if the principal processes in which the mill is engaged are spinning and weaving, and not thread and thread-ball making, in which case, the mill will be required to furnish returns in the form proposed for the "Cotton textiles—spinning and weaving-industry."

It will be seen from the above that cotton spinning and weaving mills in which thread and thread-ball making industry is also carried on, need not send in a separate return, and all that they are expected to do is to fill in the form relating to cotton textiles—spinning and weaving—industry. The special form designed for thread and thread-ball making industry would not be applicable to them.

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### APPENDIX 36.

#### PACKING OF CARGO SHIPPED FROM BOMBAY.

*Copy of letter, dated 8th November 1946, from the Bombay Underwriters' Association to the Association.*

I am directed to inform you that for some time past my Committee have been gravely concerned regarding the quality of material used for, and general standard of packing of, cargo shipped ex Bombay not only to African ports but to all overseas markets.

The use of single hessian bales has resulted over a number of years in a high incidence of loss in respect of damage by extraneous substances. My Committee were well aware of the difficulty of obtaining adequate packing material during the years of war but they are strongly of the opinion that all bales for shipment to destinations overseas should now be covered by double hessian in addition to the normal internal covers.

The foregoing has reference to damage to baled cargo by chafage, rubbing, dirt, oil, etc., but it is understood that the low standard of packing generally, both in respect of baled and cased cargo, and poor quality of materials used was recently referred to at a meeting of

the Bombay Pilferage Committee. This Committee, as you may know, was formed at the instance of Government to investigate conditions giving rise to the heavy pilferage in the Bombay docks and to devise ways and means for the introduction of an effective control.

It would appear to be the opinion of that committee that one of the factors contributing to the present very serious situation is the inadequate protection against pilferage afforded by the present methods of packing of cargo shipment both coast-wise and overseas.

My Committee would, therefore, ask for your co-operation in this matter by urging upon your members the necessity of taking all possible steps to ensure that cargo both in bales and cases intended for export is packed in such a manner as to withstand not only the normal hazards of transport but also so far as is possible the depredations of thieves and pilferers, for my Committee feel that you will agree with them that the present high incidence of loss, due to a great extent to the inferior type of packing used, cannot but have a detrimental effect abroad on the reputation of the Indian market generally.

*Copy of letter dated 2nd January 1947, from the Bombay Underwriters' Association, Bombay, to the Association.*

I would invite your attention to my letter dated 8th November last, to which my Committee still await a favourable reply.

In the meantime we have received replies to similar letters addressed to various commercial interests, one of whom has suggested the insertion of the following warranty in all policies covering export cargo issued by members of this Association :—

“Warranted packed in double gunny or properly secured packing cases.”

My Committee would appreciate the views and comments of your Committee on this suggestion.

*Copy of letter No. 141, dated 28th January, 1947, from the Association to the Bombay Underwriters' Association.*

I am directed to acknowledge the receipt of your letters, dated the 8th November 1946 and 2nd January 1947, and to state that the Committee accept the suggestion regarding the insertion of a warranty in all policies covering export cargo as suggested by you.

*Copy of letter, dated 14th May 1947, from the Bombay Underwriters' Association to the Association.*

I refer to correspondence resting with your letter No. 141 dated 28th January last and am directed to inform you that my Committee have imposed a loading of  $\frac{1}{8}$ th per cent. on the F.P.A., W.A. or wider cover rates unless the following warranty is inserted in all policies covering piecegoods shipped to destinations coming under our Coast Ports and Out-Ports Tariffs :

“Warranted packed in metal-strapped double-gunny bales or metal-strapped cases” and have so circularised members.

## APPENDIX 37.

### COTTON TEXTILES (RAW MATERIALS AND STORES) CONTROL ORDER, 1946.

*Copy of circular No. 425, dated 8th October 1946, from the Association to all members.*

The attention of member mills is invited to the following notification issued by the Government of India, Department of Industries and Supplies, on 28th September 1946, in connection with the above order. A copy of the Press Note explaining the effect of the notification is also circulated herewith.

*Notification dated 28th September 1946, issued by the Government of India, Department of Industries and Supplies.*

No. TB. 17(1)/46 :—In exercise of the powers conferred by sub-rule (2) of rule 81 of the Defence of India Rules, the Central Government is pleased to make the following Order and to direct with reference to sub-rule (1) of rule 119 of the said Rules that notice of the

Order shall be given by the publication of the same in the official *Gazette* and by the issue of a Press Note summarising and explaining its provisions—

1. (a) This Order may be called the Cotton Textiles (Raw Materials and Stores) Order 1946 ;

- (b) It extends to the whole of British India ;
- (c) It shall come into force at once.

2. The Orders specified in Schedule B are hereby repealed ;

Provided that any order made, notification issued, or anything done under any of the said repealed Orders shall be deemed to have been made, issued or done under the corresponding provisions of this Order.

3. In this Order—

- (a) "scheduled article" means any article specified in Schedule A ;
- (b) "starch" means starch made from wheat, rice, maize, jowar or any other foodgrain or from tapioca or from potatoes and includes derivatives of starch in any modified form of starch so made ;
- (c) "Textile Commissioner" means the Textile Commissioner appointed by the Central Government and includes any officer authorised by him to exercise all or any of the powers of the Textile Commissioner under this Order ;
- (d) the expression "offer to sell" shall be deemed to include a reference to an intimation by a person of the price proposed by him for a sale of an article, made by the publication of a price list by exposing the article for sale in association with or bearing a mark indicating price, by the furnishing of a quotation or otherwise howsoever.

4. No person shall manufacture starch other than starch made from tapioca except under and in accordance with the terms of a licence granted by the Textile Commissioner.

5. (1) Every importer of a scheduled article shall within 15 days of the date of the arrival of the consignment containing such article furnish to the Textile Commissioner the following information in respect of the consignment—

- (a) description and quantity of each of the articles included in the consignment ;
- (b) the landed cost of each item together with invoices and all other documents evidencing the price, buying commission, insurance premium, freight, customs duty, landing and clearing charges paid up to the deposit of the consignment in the consignee's warehouse or other place of storage.

(2) No importer shall sell or otherwise dispose of any such scheduled article imported by him except in accordance with the instructions given to him by the Textile Commissioner ; provided that if the importer does not receive any such instructions from the Textile Commissioner within 30 days of the receipt by the Textile Commissioner of the information submitted under sub-clause (1) the importer may subject to the provisions of clauses 6 and 7, dispose of the consignment.

6. No person shall sell or dispose of any scheduled article except under and in accordance with—

- (a) a seller's licence granted to him by the Textile Commissioner ;
- (b) a direction given to him by the Textile Commissioner under clause 8.

7. No person shall purchase or otherwise acquire any scheduled article except under and in accordance with a buyer's licence granted by the Textile Commissioner.

8. The Textile Commissioner may by order in writing require any importer or dealer in any scheduled article to sell to such person as may be specified in the Order such quantities of the scheduled article and (in the case of a scheduled article of which the maximum prices have not been fixed under clause 9) at such price, as may be specified in the Order.

9. (1) The Textile Commissioner may by notification in the *Gazette of India* fix the maximum prices or rate at which any scheduled article may be sold ;

(2) No person shall sell or offer to sell a scheduled article at a price exceeding the maximum price specified under sub-clause (1).

10. (1) The Textile Commissioner may direct any person carrying on the business of producing or selling any scheduled article to mark such articles exposed or intended for sale with the sale price thereof, or to exhibit in his premises a price list of articles held by him for sale ; and may further give directions as to the manner in which such directions aforesaid shall be carried out.

(2) The Textile Commissioner may by order published in the *Gazette of India* issue a direction of the nature specified in sub-clause (1) generally to all persons carrying on the business of producing or selling any scheduled article or any class of such persons.

11. The Textile Commissioner may, with a view to securing compliance with this Order—

- (a) require any person to give any information in his possession with respect to any business carried on by that or any other person ;
- (b) inspect or cause to be inspected any books or other documents belonging to or under the control of any person ;
- (c) enter and search, or authorise any person to enter and search, and seize or authorise any person to seize any article in respect of which he has reason to believe that a contravention of this Order has been committed and any other article in the premises which he has reason to believe has been or is intended to be used in connection with such contravention.

12. (1) The Textile Commissioner may by an order in writing direct any person who carries on the business of producing or selling a scheduled article—

- (a) to maintain such records of his purchases, sales, contracts, or other matters connected with his undertaking or business, and in such form and manner as may be specified in the Order ;
- (b) to submit to such authority returns or statements in such forms and containing such information relating to his undertaking or business and at such times as may be specified in the order ;

(2) The Textile Commissioner may by general order published in the *Gazette of India* issue a direction of the nature specified in sub-clause (1) generally to any class of persons referred to therein.

13. Notwithstanding anything contained in this Order, if the Textile Commissioner so directs by an order published in the *Gazette of India*, such of the provisions thereof as he may therein specify shall cease to apply within such area during such period and in relation to such scheduled article as he may specify.

14. (1) Applications for licences under this Order shall be made in such form as the Textile Commissioner may prescribe ;

(2) The Textile Commissioner may in his discretion and without assigning any reason refuse to grant a licence to any person and his decision shall be final;

(3) The Textile Commissioner may specify in the licence the conditions if any under which it is issued and the licensee shall comply with those conditions ;

(4) The fees for the grant of a licence shall be such as the Textile Commissioner may prescribe by a notification in the official *Gazette* ;

(5) Subject to the provisions of sub-clause (6) the licence shall be valid for the period specified therein and may be renewed;

(6) If the holder of a licence has supplied incorrect information in his application or in any return submitted by him or if he contravenes any condition of the licence, or if at any time the Textile Commissioner is satisfied that for any other reason the licensee is not a fit person to hold the licence, the Textile Commissioner may in his discretion and without prejudice to any other action which may be taken against the licensee, cancel or suspend his licence, and the order of the Textile Commissioner shall be final.

15. No person shall, with intent to evade the provisions of this order, refuse to give any information lawfully demanded from him under clause 10, or conceal, destroy, mutilate, or deface any book or other document kept by him in the course of his business.

16. No prosecution for the contravention of any of the provisions of this Order shall be instituted without the previous sanction of the Textile Commissioner.

17. Any Court trying a contravention of any of the provisions of this Order may without prejudice to any other sentence which it may pass, direct that any article or articles in respect of which it is satisfied that the Order has been contravened shall be forfeited to His Majesty.

#### SCHEDULE A.

##### I. Cotton Card Clothing and Card Clothing Sundries.

###### For Flat Cards :—

- |                          |  |
|--------------------------|--|
| 1. Cylinder fillet.      | 10. Philipsons top clearer strips.             |
| 2. Doffer fillet.        | 11. Ashworths top clearer strips.              |
| 3. Sets of tops.         | 12. Ashworths dirt roller fillet.              |
| 4. Stripping fillet.     | 13. Rhodes stripping fillet.                   |
| 5. Burnishing fillet.    | 14. Lickerin wire.                             |
| 6. Hand stripping cards. | 15. Blued steel wire for roving waste openers. |
| 7. Waltons brushes.      | 16. Card tacks.                                |
| 8. Spiral strips.        | 17. Raising fillet.                            |
| 9. Philipsons sheets.    |  |

###### For Waste and Wadding Cards :—

- |                      |                            |
|----------------------|----------------------------|
| 18. Cylinder fillet. | 23. Under clearer fillet.  |
| 19. Doffer fillet.   | 24. Fancy stripper fillet. |
| 20. Roller fillet.   | 25. Humbug fillet.         |
| 21. Clearer fillet.  | 26. Feed roller fillet.    |
| 22. Fancy fillet.    | 27. Lickerin fillet.       |

28. All other card clothing and sundries.

##### II. Bobbins for use on Textile Machines other than Jute and Hemp.

- |                          |   |
|--------------------------|---|
| 1. Slubbing tubes.       | 5. Ring weft pirns (including Universal and Wadia pirns). |
| 2. Roving tubes.         | 6. Warper bobbins.  |
| 3. Ring rabbeth.         | 7. Paper tubes and cones.                                 |
| 4. Ring doubles bobbins. |   |

##### III. Shuttles for use in Textile Looms other than Jute and Hemp.

1. Shuttles for looms (ordinary).
2. Shuttles for looms (automatic).

##### IV. Imported Tallow.

##### V. Dyes derived from Coal-tar.

##### VI. Hydrosulphite of Soda.

##### VII. Starch.

#### SCHEDULE B.

- (1) The Cotton Textiles (Dyes and Chemicals) Control Order, 1945.
- (2) The Starch Control Order, 1945.
- (3) The Hydrosulphite of Soda (Control) Order, 1945.
- (4) The Textile Industry (Miscellaneous Articles) Control Order, 1945.

*Press Note dated 30th September 1946, issued by the Government of India, Department of Industries and Supplies.*

The Central Government have by a notification published in the *Gazette of India Extraordinary* dated the 28th September 1946, issued the Cotton Textiles (Raw Materials and Stores) Control Order, 1946, under rule 81(2) of the Defence of India Rules. This Order consolidates the Cotton Textiles Dyes and Chemicals Control Order, 1945, the Starch Control Order, 1945, the Hydrosulphite of Soda Control Order 1945, and the Textile Industry (Miscellaneous Articles) Control Order, 1945.

The articles to which the new Order applies are contained in Schedule 'A' to the Order and relate to cotton card clothing, card clothing sundries, bobbins for use on textile machines other than jute and hemp, shuttles for use in the textile machines other than jute and hemp, imported tallow, dyes derived from coal-tar, hydrosulphite of soda and starch.

The above Press Note is issued under sub-rule 1 of rule 119 of the Defence of India Rules.

### APPENDIX 38.

#### GOVERNMENT CONTRACTORS (DISPOSAL OF COTTON TEXTILES, UNUSED MATERIAL AND REJECTED STORES) ORDER, 1945.

*Notification dated 29th December 1945, issued by the Department of Industries and Supplies.*

No. TB(5)/45.—In exercise of the powers conferred by sub-rule (2) of rule 81 of the Defence of India Rules, the Central Government is pleased to make the following Order and to direct with reference to sub-rule (1), of rule 119 of the said Rules that notice of the Order shall be given by publication of the same in the *Gazette of India* and by the issue of a press note explaining its provisions.

1. (i) This Order may be called the Government Contractors (Disposal of Cotton Textiles Unused Material and Rejected Stores) Order, 1945 :

(ii) It shall come into force at once.

2. In this order—

- (a) "contractor" means any person who has entered into a contract with the Textile Commissioner for the supply, manufacture, fabrication or delivery of any article ;
- (b) "material" means any material supplied to a contractor by Government or purchased by a contractor under the arrangements made by the Textile Commissioner for supply thereof ;
- (c) "stores" means any quantity of any article which a contractor has contracted to supply, manufacture, fabricate or deliver ;
- (d) "Textile Commissioner" means the Textile Commissioner, Bombay, and includes any officer authorised by him to exercise all or any of the powers of the Textile Commissioner under this Order.

3. Save as provided in clause 7, no contractor shall sell, deliver or otherwise dispose of any stores or material in his possession except to such persons and at such prices as the Textile Commissioner may specify by order in writing.

4. Where stores tendered by a contractor in pursuance of any contract are rejected, the contractor shall within fifteen days of the date of rejection submit to the Textile Commissioner a statement containing true and accurate information in relation to such rejected stores in Form "A" \* appended to this Order.

5. Every contractor shall within fifteen days from the completion of his contract submit to the Textile Commissioner a statement in Form "B" \* appended to this Order containing true and accurate information in relation to stores and material in his possession.

*Explanation.*—For the purpose of this clause a contract shall be deemed to have been completed immediately the contract has been performed or broken or cancelled or replaced by a new contract.

6. Any statement submitted in pursuance of clause 4 or clause 5 shall be submitted in triplicate and shall be accompanied by three samples of each article of stores or material referred to in such statement.

7. A contractor may sell, deliver or otherwise dispose of any stores or material at any time after ninety days from the date on which any statement relating to such stores or material submitted by him in pursuance of clause 4 or clause 5 is received by the Textile Commissioner if no instructions as to the disposal of such stores or material have before the expiry of that period been received from the Textile Commissioner.

8. Where a contractor sells or delivers any stores or material in pursuance of clause 7, he shall within seven days of such sale or delivery submit to the Textile Commissioner a true and accurate statement containing the names of the persons to whom, the quantities in which, and the price at which such stores or material were sold or delivered.

9. (1) The Textile Commissioner may fix the maximum prices, ex-factory, wholesale and retail, of any article of stores and materials.

(2) The Textile Commissioner may specify the markings to be made on any article of stores and materials and the time and manner of making them ; and before selling any such article the contractor shall make the markings thereon in such manner as the Textile Commissioner may prescribe, provided that if a contractor is unable conveniently to make the said markings, he may apply to the Textile Commissioner, and thereupon the Textile Commissioner may, if he sees fit, on the contractor making payment for the services to be rendered at the rate of Rs. 1-4-0 per bale of 400 lbs. or Re. 1-0-0 per case of 250 lbs. of yarn or 1 per cent. of the wholesale price of any other article, direct that the markings shall be made by an officer of the office of the Textile Commissioner.

(3) A contractor shall not sell or dispose of any stores or materials until the maximum prices thereof have been fixed and the markings made in accordance with this clause.

(4) No person shall sell any stores or materials at a price exceeding the maximum price, ex-factory, wholesale or retail as the case may be, fixed under this clause.

10. The Textile Commissioner may with a view to securing compliance with this Order—

- (a) require any person to give any information in his possession with respect to any business carried on by him or any other person ;
- (b) inspect or cause to be inspected any books or other documents belonging to or under the control of any person ;
- (c) enter and search, or authorise any person to enter and search, any premises and seize, or authorize any person to seize, any stores or material in respect of which he has reason to believe that a contravention of this Order has been committed.

11. A Court trying any contravention of this Order may, without prejudice to any other sentence which it may pass, direct that any stores or material in respect of which it is satisfied that such contravention has occurred shall be forfeited to His Majesty.

12. No prosecution for the contravention of any of the provisions of this Order shall be instituted without the previous sanction of the Provincial Government or of such officer of the Provincial Government considered by it to be not below the rank of District Magistrate as the Provincial Government may by general or special order in writing authorise in this behalf.

*Copy of letter No. TCS. 1-28/30, dated 23rd March 1946, from the Textile Commissioner, Government of India, to all Mills.*

**Ref. GOVERNMENT CONTRACTORS (DISPOSAL OF COTTON TEXTILES UNUSED MATERIALS AND REPORTED STORES) ORDER, 1945.**

A number of enquiries have been received by the Textile Commissioner from Mills regarding the application of the provisions of the above Order (copy enclosed) in relation to cloth and yarn manufactured by mills against orders placed with them by the Government of India (Textile Commissioner).

I have the honour to inform mills that all cotton textile materials, cloth and yarn, rejected or manufactured in excess against orders placed by the Government of India (Textile Commissioner) shall be stamped with the civil ex-mill (which shall be the panel price) and retail prices current at the time of sale. However, in respect of materials which are manufactured and accepted against contracts placed by the Government of India (Textile Commissioner) where



the contracts have subsequently been either reduced or cancelled and mills wish to take over the materials themselves, mills should, before selling such cloth or yarn, get the prices for the materials fixed by the Textile Commissioner under clause 9 of the Order.

It is not now necessary for mills to submit returns in compliance with clauses 4 and 5 of the Order.

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## APPENDIX 39.

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### DECIMALISATION OF WEIGHTS AND MEASURES

*Copy of letter No. 46-C(4)/45, dated 1st April 1946, from the Under-Secretary to the Government of India, Department of Commerce, New Delhi to all "Recognised" Chambers of Commerce and Trade Association.*

As you are perhaps aware, a suggestion has been made to the Government of India that decimalisation of weights and measures throughout India should follow as a logical corollary to the decimalisation of the Indian coinage proposed in the Indian Coinage Amendment Bill which is now before the Legislature. The Government of India have been further advised that this is the most suitable opportunity for making much needed improvements in the present position in regard to weights and measures.

2. The necessity for introducing some measure of order into the chaotic number and nomenclature of weights and measures in use in this country has long been the subject of anxious consideration by the Government of India. The Indian Weights and Measures Act of 1871, the first effort in this direction, sought to define the "seer" as the primary standard of weight and volume and ordained that all subsidiary units should be integral multiples of the "seer" expressed in decimal parts. This Act, was, however, never enforced. But the need for reform continued to be pressed on the Government of India by trade and commercial interests, and public opinion was reinforced by the recommendations of the Royal Commission on Agriculture in 1928 and the Central Banking Enquiry Committee in 1931.

3. The Government of India, however, felt that, as it was open before the introduction of the Government of India Act of 1935 to Provincial Governments to legislate for the standardisation of weights and measures and three Provinces did in fact pass such measures, it might not be desirable for the Centre to introduce legislation which the provinces had not seen fit to enact and enforce.

4. After the enactment of the Government of India, Act, 1935, the Indian Standard of Weights Act, 1939, was passed, but the enforcement of its provisions has not for various reasons been either uniform or as successful as desired. The welter of weights and measures, therefore, continues, with the same names signifying totally divergent quantities in different parts of the same province. This confused state of affairs has frequently resulted in the cultivator being defrauded by buyers using unauthorised and grossly inaccurate weights and measures. The variations in the significance of primary units in different markets have also made it practically impossible to undertake a systematic study of markets and general economic conditions. Our internal trade has been severely handicapped on account of these difficulties and the confusion prevailing in foreign markets having commercial relations with India is not difficult to imagine.

5. The Government of India feel that there cannot be two opinions on the desirability of putting an end to this deplorable state of affairs. The suggestion that simultaneously with the decimalisation of the coinage, an endeavour should be made to decimalise weights and measures also, therefore merits consideration. While the Government of India are not unaware in this connection that during the transitional stage the public, especially in rural areas, may have some initial trouble in getting accustomed to the proposed changes, they are inclined to the view that the adoption of the simpler decimal system, which is in vogue in most of the advanced countries, is not only likely to simplify accounting but will also largely facilitate external trade, particularly in the future, when the development of our export markets will be a matter of considerable importance to the industrial and economic development of this country.

6. In order to enable the Government of India to give the matter their further consideration, I am to request that the above suggestion may be considered by your Chamber and its views communicated to this Department as early as possible. Further, if your Chamber supports the proposal, I am also to request that its views regarding the nature of the new standards to be adopted for general use throughout the country may also be intimated to this Department. I am particularly to enquire whether the adoption of the metric system will be preferred and if not, which of the existing weights it would be desirable to adopt as the unit and what its multiples and sub-divisions should be.

*Copy of letter No. 392-A, dated 16th May 1946, from the Association to the Under-Secretary to the Government of India, Department of Commerce, New Delhi.*

I am directed to acknowledge the receipt of your letter No. 46-C(4)/45, dated the 1st April 1946, in which you request my Committee to express an opinion on the question of decimalisation of weights and measures throughout India.

It will be remembered that the Indian Standards of Weight Act, 1939, which has not been strictly enforced so far, prescribes the following standards:—

- (a) The standard tola, being a weight of 180 standard grains.
- (b) The standard seer, being a weight of 80 standard tolas or 14,400 standard grains.
- (c) The standard maund, being a weight of 40 standard seers.
- (d) The standard pound, being a weight of 7,000 standard grains.
- (e) The standard ounce, being one-sixteenth part of the weight of standard pound.
- (f) The standard hundredweight, being a weight of 112 standard pounds.
- (g) The standard ton, being a weight of 2,240 standard pounds.

The above standards have not been enforced, and if they had been, that might have been a great step forward in facilitating decimalisation of weights and measures apart from reducing certain malpractices in the trade. In a country like India, in view of the illiteracy of the masses and the bewildering variety of weights and measures in force in various parts of the country, my Committee feel that, while decimalisation might be kept as the ultimate ideal, it should not be attempted until the country as a whole learns to recognise and adopt one particular set of weights and measures in all commercial transactions.

## APPENDIX 40.

### REMISSION OF DUTY ON SALT USED FOR INDUSTRIAL PURPOSES.

*Copy of letter No. 227, dated 8th March 1946, from the Association to the Secretary to the Government of India, Finance Department (Central Revenues), New Delhi.*

I am directed to refer to the notification No. 2-Camp. dated the 9th February 1946, issued by the Finance Department (Central Revenues), containing *inter alia*, certain rules for the remission of duty on salt used for industrial purposes. Rule 13(3) reads as follows:—

“The key of the store-room shall be available at the premises of the factory to facilitate inspection of the store-room by the officer of the Central Excise Collectorate, Bombay, not below the rank of Range Officer, at any time between the hours of sunrise and sunset, failing which the manufacturer shall be liable to a fine not exceeding rupees one hundred for each occasion the inspecting officer has to return without being able to inspect the store-room.”

My Committee feel that the above provision, according to which the key of the store-room should be made available at the premises of the factory to facilitate inspection of the store-room by an Officer of the Central Excise Collectorate, Bombay, will cause considerable

inconvenience to the managements of industrial establishments. It may be stated that, in the case of mills, the working hours of the day do not extend from sunrise to sunset, and it would be appreciated that, in order to comply with the provision of the rule, the store-keeper or the manager would have to be on the mill premises beyond the working hours of the day shift of the mills and even on mill holidays. Furthermore, the hours of sunrise and sunset vary with each season of the year. In the circumstances, my Committee would suggest that the rule be amended limiting the hours of inspection to *the normal working hours of the industrial establishments by day on the working days of the industrial establishments concerned*. My Committee feel that the proposed change would not in any way, defeat the object underlying the rule, and hope that the suggested amendment would be made as early as possible.

*Copy of letter C. No. 75-Salt/46, dated 6th April 1946, from the Deputy Secretary to the Government of India, Finance Department (Central Revenues) New Delhi, to the Association.*

**Subject :—REMISSION OF DUTY ON SALT USED FOR INDUSTRIAL PURPOSES—  
RULES REGARDING.**

Reference your letter No. 227, dated the 8th March 1946, on the above subject.

2. The Government of India, after having given their full consideration to the matter, regret their inability to accept your suggestion.

*Copy of letter C. No. 75-Salt/46, dated 11th September 1946, from the Under-Secretary to the Government of India, Finance Department, (Central Revenues), New Delhi, to the Association.*

**Subject :—REMISSION OF DUTY ON SALT USED FOR INDUSTRIAL PURPOSES—BOMBAY  
RULES REGARDING—AMENDMENT OF RULE 13(3).**

Reference correspondence ending with this Department letter C. No. 75-Salt/46, dated the 6th April 1946 on the above subject.

2. On further consideration, the Government of India have decided to amend the rule in question suitably and the necessary notification will be issued shortly.

## APPENDIX 41.

### EXEMPTION FOR THE TECHNICAL STAFF OF MILLS FROM SERVING ON THE JURY.

*Copy of letter No. 412, dated 14th February 1946, from the Association to the Sheriff of Bombay, High Court.*

I am directed by the Committee of the Millowners' Association, Bombay, to address you in connection with the technical staff of Bombay cotton mills, some of whom are called out for service on the Jury during the criminal sessions in the Bombay High Court. Though the war has ended, cotton mills, as you are aware, are still working double and treble shifts in order to relieve the acute situation caused by the shortage of cloth in the country. It has been reported by certain members of the Association that the absence of their technical staff from the mills on service with the jury will handicap the mills in the sense that the effective and continuous technical supervision, which is required to maintain production, will not be available in the productive and process departments for days and even for weeks together. If the mills had spare men, capable of taking temporarily the place of those who are called out for service on the jury, mills would certainly have nothing to say in the matter, but as things stand, qualified men are not available. The Association, however, desires to make it quite clear that it is not its desire that these technicians should be permanently excused from performing certain civic duties which citizens in other walks of life perform, but what they suggest is

that in the interest of relieving the cloth supply position of the country, they should be exempted from service on the jury until such time the situation improves. It is very difficult to say when things will improve, but it is suggested that exemption referred to be granted for a year, and the position be reviewed at the end of this period.

I give below for your information a list of mill technical staff whom the Association has in view :

- (a) Mill Managers and Assistant Mill Managers.
- (b) Departmental Heads not below the rank of Assistant Masters.
- (c) Mill Engineers and Assistant Engineers.

*Copy of letter No. 295 of 1946, dated 4th March 1946, from the Sheriff of Bombay to the Association.*

With reference to your letter No. 412, dated 14th February 1946, I have the honour to inform you that the mill technical staff mentioned in items (a), (b) and (c) will so far as possible not be summoned.

## APPENDIX 42.

### THE BOMBAY SALES TAX ACT.

*Copy of letter No. 405, dated 25th July 1946, from the Association to the Commissioner of Sales Tax, Bombay.*

I am directed to refer to section 6(2) of the Bombay Sales Tax Act, 1946, which provides, *inter alia*, that turnover on sales to a registered dealer of goods specified in the purchasing dealer's certificate of registration as being intended for use by him in the manufacture of any goods for sale can be deducted from the dealer's gross turnover. This would naturally mean that the manufacturer will not be required to pay any tax on the goods which he uses for the manufacture of his goods provided he gets himself registered as a dealer under the Act. As you are aware, cotton spinning and weaving mills require a variety of mill stores, dyes, chemicals, including furnace oil and lubricants, for purposes connected with their *bona fide* business. A complete enumeration of all these stores, etc., is not, I believe, necessary when individual mills make applications for registration under the Act. Section 8(3) of the Act lays down that, if the said authority is satisfied that an application for registration is in order, it shall, in accordance with such rules as may be prescribed, register the applicant and grant him a certificate of registration in the prescribed form which shall specify the class or classes of goods in which at the time of the grant of the said certificate, the dealer carries on business and such other particulars as may be prescribed. The form of certificate of registration prescribed under rule 7 also provides for the enumeration of goods used for manufacture and/or for resale, the sales of which to the dealer concerned would be free of tax.

Turning now to the cotton spinning and weaving mills, the Association is not sure whether the mere mention of the business of the establishment, namely, cotton spinning and weaving, would entitle the mill to claim exemption from tax in respect of certain goods falling within the provisions of section 6(2)(a)(ii), or whether it is necessary to include in the applications a full list of the stores, etc., which the mill consumes, and in respect of which exemption from tax is desired. The only point which my Committee have to bring to your notice is that, if a full list of stores has to be included, such a list will, of course, be a very lengthy one, consisting perhaps of about 500 to 1,000 items.

An early reply to this communication is requested so that Government's ruling on this point may be communicated to our members.

*Copy of letter No. 34/2, dated 29th July 1946, from the Deputy Commissioner of Sales Tax, Bombay Province, to the Association.*

With reference to your letter No. 405 dated the 25th July 1946, I have the honour to state as follows :—

Dealers applying for registration in Form II of the Bombay Sales Tax Rules are required to state the *classes of goods* which they purchase, manufacture for sale and import. It is not necessary to specify each individual article, or different qualities of each commodity, separately for this purpose ; but the dealer should give the specific names of all the classes of goods according to the usual custom of the trade for describing the groups of articles of a cognate nature which may be dealt in by him. The mere mention of the business, namely, "cotton spinning and weaving" is not sufficient for this purpose, as it does not specify the different classes of goods which are purchased, manufactured or imported in that business. The deduction of turnover in respect of sales to registered dealers according to clause (a) (ii) of section 6(2) of the Act will be admissible only if the goods sold are specified, either individually or as included under a definite class of goods, in the certificate of registration of the purchasing dealer, and are intended for resale by him, or for use in the manufacture of any goods for sale, etc.

*Copy of letter No. 146, dated 10th December 1946, from the Deputy Commissioner of Sales Tax, Bombay Province, to the Association.*

With reference to your letters Nos. 405, dated the 18th September \* and the 4th October 1946,\* I have the honour to state that I have examined the 10 lists furnished by you and I am of the opinion that some of the items mentioned in these lists are not eligible for being entered in the Certificate of Registration of a mill. I have, therefore, weeded out those items from the lists which can be specified in the Certificate of Registration of Textile Mills under clause (a), namely, for purposes of manufacture, and have classified them under the following heads :—

- (1) Raw cotton, cotton yarn, art silk and silk yarn, cotton waste and fibre cotton.
- (2) Bleaching, dyeing, printing, sizing and finishing materials (*vide* List I appended).\*
- (3) Textile Machinery (*vide* List II appended).\*
- (4) Fuel oil and lubricants (other kinds of fuel may also be specified (*vide* List III appended).\*
- (5) Engineering and electrical stores, machinery spares and other mill stores required in the actual manufacture of textiles (*vide* List IV appended).\*
- (6) Packing and baling materials (*vide* List V appended).\*

A list of the other items mentioned in your lists (Nos. 8, 9 and 10) which have been omitted from the lists drawn up by me in view of the fact that they are not considered to be actually used in the process of manufacture, is also sent herewith for your information.

2. As regards the items mentioned in List VI appended hereto (same as List No. 11 sent by you) which are purchased by the mills for resale through their grain shops and mill canteens and boarding house, I may state that they are admissible for being entered in the Registration Certificate under clause (b), namely, for resale.

3. The goods mentioned in List No. 12 appended to your letter referred to above do not require to be specified in the Registration Certificate as they neither come within the scope of any of the three clauses (a), (b) or (c), nor under the head "goods manufactured for sale" mentioned in the Registration Certificate. As cloth and yarn would be manufactured by the mills these can be treated as goods manufactured, and shown under that head in the certificate.

4. I am issuing instructions accordingly to all the Sales Tax Officers for their information and guidance, and would request you to instruct the members of your Association to approach the Sales Tax Officer concerned to effect the necessary change in their Registration Certificate.

## APPENDIX 43.

## TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT.

Reprint of the First and Second Schedules appended to the Indian Tariff Act, XXXII of 1934 (as in operation on 1st January, 1947), showing the rates of Customs duties, including the additional duties levied under the Indian Finance Act, 1947, and the Indian Tariff Act 1947 levied on goods imported into, and exported from, British India, together with (1) the tariff values fixed for certain articles under Government of India, Commerce Department, Notification No. 73-T(6)/46, dated the 14th December, 1946, for the purpose of assessment of Customs duties with effect from the 1st January, 1947, (2) the rates of duty leviable on articles the produce or manufacture of Burma under Government of India, Finance Department (Central Revenues), Notification No. 39-Customs, dated the 7th June, 1941, as subsequently amended, (3) the rates of Excise duties leviable on articles produced or manufactured in British India, and (4) the rates of Cesses leviable on certain articles on export or otherwise and the Tariff values fixed for certain articles under Government of India, Department of Agriculture, Notification No. F. 17-2/47-Co, dated the 21st June, for the purpose of assessment of the Agricultural Produce Cess with effect from the 1st July, 1947.

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.—The tariff value specified in the second column of the First Schedule shall, unless otherwise expressly provided, apply whether the article is assessed to duty under the item specified in the corresponding entry in the first column or under any other item.

Note 3.—The description of tariff-valued articles in the second column follows the ordinary trade description and covers all reduced grades and mixtures unless they are specially provided for.

Note 4.—In this publication, the expression “standard rate of duty” means, in the case of articles liable to preferential rates of duty, the standard rate of duty as opposed to the preferential rate, and in the case of other articles, the ordinary rate of duty.

Note 5.—Postal parcels, packets and letters on whose contents the total duty payable is not more than 12 annas, are exempt from payment of import duty.

Note 6.—The expression “Far East” covers China, including Hongkong and Macao, Japan and the Japanese Empire, the Straits Settlements, Malaya, Thailand, French Indo-China, the Netherlands East Indies, Sarawak, British North Borneo, the Philippines, Burma and Ceylon.

## THE FIRST SCHEDULE.—IMPORT TARIFF.

Item No.	Name of article.	Nature of duty.	Standard rate of duty	Preferential rates of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION I.</b>							
<b>LIVE ANIMALS AND PRODUCTS OF THE ANIMAL KINGDOM.</b>							
1	ANIMALS, living, all sorts		Free				
2	BACON AND HAM, not canned or bottled	Revenue	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	
3	FISH, not otherwise specified	Revenue	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	
3(1)	FISH, salted, wet	Revenue	Such rate or rates of duty not exceeding one rupee per Indian maund of 82-2/7 lbs. avoirdupois weight as the Central Government may, by notification in the <i>Official Gazette</i> from time to time prescribe,* plus 6½ per cent. <i>ad valorem</i> plus one-fifth of the total duty.			Free	
	<i>Tariff values—</i>	Per Indian maund.					
	(i) Soormai	Rs. a. p.					
	(ii) Bangdas	12 0 0					
	(iii) All other sorts	6 0 0					
		11 0 0					
3(2)	FISH, salted, dry	Revenue	18 per cent. <i>ad valorem</i> .			Free	
3(3)	FISH, unsalted, dry	Preferential revenue.	36 per cent. <i>ad valorem</i> .		24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	
	<i>Tariff values—</i>	Per cwt.					
	Bomlas	Rs. a. p.					
		20 0 0					

\* The rate on the 1st January, 1947, and until further notice is annas 9½ per maund of 82-2/7 lbs. avoirdupois.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION I—<i>concl.</i></b>							
<b>LIVE ANIMALS AND PRODUCTS OF THE ANIMAL KINGDOM—<i>concl.</i></b>							
3(4)	FISHMAWS, including singly and sozille and sharkfins.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
	<i>Tariff value—</i>						
	Per cwt. Rs. a. p.						
	Sharkfins from Arabian and Persian Gulf Ports.						
4	BUTTER, CHEESE AND GHEE .. .. .	Revenue ..	30 per cent. <i>ad valorem</i> .	..	....	12 per cent. <i>ad valorem</i> .	....
	<i>Tariff values—</i>						
	Per lb. Rs. a. p.						
	Butter .. .. .						
	Ghee .. .. .						
4(1)	MILK,* condensed or preserved, including milk cream.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
5	CORAL, unprepared .. .. .	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
5(1)	COWRIES AND SHELLS .. .. .	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
	<i>Tariff values—</i>						
	Per thousand. Rs. a. p.						
	Chanks—						
	Sound, live .. .. .						
	Sound, dead .. .. .						
	Other sorts .. .. .						
	Per cwt.						
	Cowries, bazar, common .. .. .						
	Cowries, yellow, superior quality.						
	Cowries, mottled, commonly known as Zillah, Tiger and similar other qualities.						
	Cowries, Maldives .. .. .						
	Cowries, Sankhll .. .. .						
	Mother-of-pearl, nacre .. .. .						
	Nakhla .. .. .						
	Per lb.						
	Tortoise-shell .. .. .						
	Tortoise-shell, nakh .. .. .						
5(2)	IVORY, unmanufactured.. .. .	Preferential revenue.	36 per cent. <i>ad valorem</i> .	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....
	<i>Tariff values—</i>						
	Per cwt. Rs. a. p.						
	Elephants' grinders .. .. .						
	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.						
	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.						
<b>SECTION II.</b>							
<b>PRODUCTS OF THE VEGETABLE KINGDOM.</b>							
6	PLANTS, LIVING, not otherwise specified .. .. .	....	Free .. .. .	....	....	....	....
6(1)	RUBBER STUMPS .. .. .	....	Free .. .. .	....	....	....	....
7	VEGETABLES, all sorts, fresh, dried, salted or preserved, not otherwise specified.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	....	24 per cent. <i>ad valorem</i> .	Potatoes and Onions— 5 per cent. <i>ad valorem</i> ; all others 12 per cent. <i>ad valorem</i> .	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently. dried skim milk, that is to say, dried milk powder containing not more than 4 per cent. of fat and no added ingredients, is exempt from payment of import duty.

## SCHEDULE I—IMPORT TARIFF—contd.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION II—contd.</b>							
<b>PRODUCTS OF THE VEGETABLE KINGDOM—contd.</b>							
8	FRUITS, all sorts, fresh, dried, salted or preserved, not otherwise specified.*	Preferential revenue.	36 per cent. <i>ad valorem</i> .	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....
	<i>Tariff values—</i>						
	Almonds—						
	(i) Without shell .. .. .	Per cwt.					
	(ii) In the shell—	Ra. a. p.					
	(a) Iranian Kagazi .. .. .	125 0 0					
	(b) Iranian other than Kagazi.	30 0 0					
	Cashew or cajoo kernels, not skinned.	35 0 0					
		39 0 0					
		Per thousand.					
	Coconuts, Ceylon .. .. .	105 0 0					
	Coconuts, other except Maldives.	85 0 0					
	Dates, dry, excluding seedless—	Per cwt.					
	Shekrs or Shakria, Sakina and Brami.	32 0 0					
	Kapkapa, Chharrs, Chupchap, Sarki, Sori, Omani and Bhatni.	23 8 0					
	All other qualities .. .. .	18 0 0					
	Dates, wet, in bags, baskets and bundles.	15 8 0					
	Dates, wet, packed in other receptacles.	28 0 0					
	Figs, dried, Iranian .. .. .	15 0 0					
	Pistachio nuts .. .. .	130 0 0					
	Raisins, red, Persian Gulf ..	50 0 0					
8(1)	CURRENTS .. .. .	Revenue ..	Re. 1-8 per cwt. ..	....	....	Free ..	....
9	COFFEE, not otherwise specified ..	Preferential revenue.	25 per cent. <i>ad valorem</i> plus one anna per pound plus one-fifth of the total duty.	....	30 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i> .	....
9(1)	COFFEE, canned or bottled .. ..	Preferential revenue.	36 per cent. <i>ad valorem</i> .	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....
9(2)	TEA† .. .. .	Preferential revenue.	Six annas per pound ..	....	Three and three-fifths annas per pound.	Two and two-fifths annas per pound.	....
9(3)	THE FOLLOWING SPICES, whether ground or unground, namely:—						
	Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper.	Preferential revenue.	54 per cent. <i>ad valorem</i> .	....	45 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i> .	....
	<i>Tariff values—</i>						
	Spices, unground—	Per cwt.					
	Cloves, (other than exhausted)	Ra. a. p.					
		60 0 0					
	Nutmegs in the shell .. .. .	Per lb.					
		Ra. a. p.					
		3 0 0					
	Nutmegs without shell .. .. .	4 8 0					
9(4)	THE FOLLOWING UNGROUND SPICES, namely:—						
	Chillies, ginger and mace .. .. .	Preferential revenue.	36 per cent. <i>ad valorem</i> .	....	27 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....
	<i>Tariff value—</i>						
	Mace, unground.. .. .	Per lb.					
		Ra. a. p.					
		5 0 0					
9(5)	BETELNUTS .. .. .	Preferential revenue.	Five annas per pound.	....	Four annas and six pies per pound.	20 per cent. <i>ad valorem</i> .	....
9(6)	VANILLA BEANS .. .. .	Revenue ..	80 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
10	GRAIN AND PULSE, not otherwise specified, including broken grains and pulse, but excluding flour.	....	Free .. .. .	....	....	....	....
10(1)	WHEAT .. .. .	Revenue ..	Free .. .. .	....	....	Free .. .. .	....
11	FLOUR, not otherwise specified .. ..	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
11(1)	WHEAT FLOUR .. .. .	Revenue ..	Free .. .. .	....	....	Free .. .. .	....
11(2)	SAGO FLOUR .. .. .	....	Free .. .. .	....	....	....	....
11(3)	SAGO, TAPIOCA AND TAPIOCA FLOUR ..	Preferential revenue.	36 per cent. <i>ad valorem</i> .	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....
11(4)	STARCH AND FARINA .. .. .	Revenue ..	18 per cent. <i>ad valorem</i> .	....	....	Free .. .. .	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, raw cashewnuts are exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequent Black Brick tea, the produce of China, when imported at Calcutta from a port in Burma is exempt from payment of import duty.



## SCHEDULE I—IMPORT TARIFF—contd.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION II—concl.</b>							
<b>PRODUCTS OF THE VEGETABLE KINGDOM—concl.</b>							
12	SEEDS, all sorts, not otherwise specified*	Revenue	80 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
12(1)	OILSEEDS imported into British India by sea from the territories of any Prince or Chief in India.	.....	Free	.....	.....	.....	.....
12(2)	OILSEEDS, non-essential, all sorts not otherwise specified, including copra or coconut kernel.†	Preferential revenue.	36 per cent. <i>ad valorem</i> .	.....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	.....
	<i>Tariff value—</i>						
	Per cwt. Rs. a. p.						
	Popy seeds .. .. .		18 4 0				
12(3)	RUBBER SEEDS .. .. .	.....	Free	.....	.....	.....	.....
12(4)	HOPS .. .. .	.....	Free	.....	.....	.....	.....
12(5)	FODDER, BRAN AND POLLARDS .. .. .	Revenue	3 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
18	DYEING AND TANNING SUBSTANCES, all sorts, not otherwise specified.† ‡	Revenue	30 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
	<i>Tariff values—</i>						
	Per lb. Rs. a. p.						
	Cochineal .. .. .		5 8 0				
	Gallnuts .. .. .		120 0 0				
3(1)	BARKS FOR TANNING † .. .. .	Revenue	8-3/5 per cent. <i>ad valorem</i>	.....	.....	Free	.....
18(2)	CUTCH AND GAMBIE, all sorts .. .. .	Preferential revenue.	36 per cent. <i>ad valorem</i> .	.....	24 per cent. <i>ad valorem</i> .	5 per cent. <i>ad valorem</i> .	.....
18(3)	GUMS, RESINS AND LAC, all sorts not otherwise specified.	Revenue	30 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
	<i>Tariff values—</i>						
	Per cwt. Rs. a. p.						
	Gum olibanum or frankincense. .. .		23 0 0				
	Gum Iranian (false) .. .. .		26 0 0				
	Myrrh, excluding cleaned and sifted Myrrh .. .		72 0 0				
18(4)	GUMS, Arabic, Benjamin (ras and cowrie) and Dammar (including unrefined batu) and rosin.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	.....	24 per cent. <i>ad valorem</i> .	Free	.....
	<i>Tariff value—</i>						
	Per cwt. Rs. a. p.						
	Acacia gums, other than ground, including gum Arabic, gum Senegal and gum African but excluding gums cleaned and sifted. .. .		40 0 0				
18(5)	STICK OR SEED LAC .. .. .	.....	Free	.....	.....	.....	.....
18(6)	OPIUM .. .. .	Revenue	Rs. 30 per seer of 80 tolas or 18½ per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....	Free	.....
18(7)	CINCHONA BARK .. .. .	.....	Free	.....	.....	.....	.....
14	CANES AND RATTANS .. .. .	Revenue	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
<b>SECTION III.</b>							
<b>FATTY SUBSTANCES, GREASES, OILS AND PRODUCTS OF THEIR DECOMPOSITION; PREPARED ALIMENTARY FATS; WAXES OF ANIMAL OR VEGETABLE ORIGIN.</b>							
15	ALL SORTS OF STEARINE, WAX, GREASE AND ANIMAL FAT, not otherwise specified.	Revenue	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
	<i>Tariff values—</i>						
	Per lb. Rs. a. p.						
	Lubricating grease .. .. .		0 7 0				
	Petroleum jelly, white .. .. .		0 7 9				
	Petroleum jelly, all other sorts. .. .		0 5 3				
	<i>N.B.—</i> The tariff values apply to articles packed in containers of not less than 14 lbs.						
15(1)	LARD, not canned or bottled .. .. .	Revenue	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
15(2)	BRESWAX .. .. .	Revenue	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
15(3)	TALLOW .. .. .	.....	Free	.....	.....	.....	.....

\* Under Government of India, Finance Department (Revenue Division) Notification No. 5, Customs dated the 15th March 1947, cocoa beans imported into British India are exempt from the payment of the customs duty leviable thereon.

† Under Government of India, Department of Education, Health and Lands (Agriculture), Notification No. F.49-445 A, dated the 24th May, 1945 and in exercise of the powers conferred by section 3 of the Indian Coconut Committee Act, 1944 (X of 1944), an additional duty of annas four per cwt. avoidupois is levied on all copra consumed in any mill in British India when imported from outside British India.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 57, Customs, dated the 15th November, 1941, wattle extract for tanning is liable to import duty at 12 per cent. *ad valorem*.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 17-Customs, dated the 25th August, 1945, lard for tanning are exempt from payment of the customs duty leviable thereon.

¶ Under Government of India, Finance Department (Central Revenues), Notification No. 1-Customs, dated the 9th March, 1946, tanning extracts required for the tanning industry are exempt from payment of the customs duty leviable thereon.

SCHEDULE II—IMPORT-TARIFF—*Contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION III—<i>concl.</i></b>							
<b>FATTY SUBSTANCES, GREASES, OILS AND PRODUCTS OF THEIR DECOMPOSITION; PREPARED ALIMENTARY FATS; WAXES OF ANIMAL OR VEGETABLE ORIGIN—<i>concl.</i></b>							
15(4)	FISH OIL, including whale oil, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
15(5)	FISH OIL AND WHALE OIL, hardened or hydrogenated.	Revenue ..	Rs. 12 per cwt.	.....	.....	Free	.....
15(6)	VEGETABLE NON-ESSENTIAL OILS, not otherwise specified.	Preferential revenue.	42 per cent. <i>ad valorem</i> .	.....	30 per cent. <i>ad valorem</i> .	18 per cent. <i>ad valorem</i> .	.....
15(7)	THE FOLLOWING VEGETABLE NON-ESSENTIAL OILS, namely, coconut, groundnut and linseed.*	Preferential revenue.	42 per cent. <i>ad valorem</i> .	.....	30 per cent. <i>ad valorem</i> .	18 per cent. <i>ad valorem</i> .	.....
	<i>Tariff value—</i>	Per Imperial gallon.					
	Linseed oil, raw or boiled ..	Rs. s. p.					
		5 0 0					
	<i>N.B.—The tariff value applies to articles packed in containers of not less than 14 lbs.</i>						
15(8)	ALL SORTS OF ANIMAL OILS, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
<b>SECTION IV.</b>							
<b>PRODUCTS OF THE FOOD-PREPARING INDUSTRIES; BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO.</b>							
16	CANNED OR BOTTLED BACON, HAM AND LARD	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
16(1)	FISH, canned ..	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
16(2)	ISINGLASS, canned or bottled ..	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
17	SUGAR, excluding confectionery ..	Protective ..	The rate at which excise duty is for the time being leviable on Sugar, other than <i>Khandasari</i> or palmyra sugar, produced in British India† plus Rs. 6-12 per cwt. plus one-fifth of the total duty.	.....	.....	The rate at which excise duty is for the time being leviable on sugar, other than <i>Khandasari</i> or palmyra sugar produced in British India†	March 31st, 1948.
17(1)	MOLASSES ..	Revenue ..	37½ per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
17(2)	CONFECTIONERY ..	Revenue ..	60 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
17(3)	SUGAR-CANDY ..	Revenue ..	Rs. 12-9-3/5 per cwt...	.....	.....	Free	.....
18	COCOA AND CHOCOLATE, other than confectionery.	Protective ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	March 31st, 1950.
19	BISCUITS, CAKES, AND FARINACEOUS AND PATENT FOODS, canned or bottled.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
20	VEGETABLE PRODUCT, JAMS, JELLIES, PICKLES, CHUTNIES, SAUCES AND CONDENSES, canned or bottled.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
	<i>Tariff value—</i>	Per lb.					
	Vegetable product (excluding hardened coconut oil).	Rs. s. p.					
		0 12 0					
20(1)	FRUIT JUICES ..	Preferential revenue.	36 per cent. <i>ad valorem</i> .	.....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	.....
20(2)	FRUITS AND VEGETABLES, canned or bottled.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	.....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	.....
21	CANNED OR BOTTLED PROVISIONS, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
21(1)	PROVISIONS AND OILMAN'S STORES AND GROCERIES, all sorts not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
	<i>Tariff values—</i>	Per cwt.					
	Cocum ..	Rs. s. p.					
		15 0 0					
	Vegetable product (excluding hardened coconut oil), not canned or bottled.	Per lb.					
		0 6 0					
21(2)	ALL SORTS OF FOOD not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
22	ALL SORTS OF DRINK, not otherwise specified	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 39, dated the 22nd June, 1935, the duty leviable on linseed oil at the standard rate is 30 per cent. *ad valorem*.

† The rate of excise duty on the 1st January, 1947, and until further notice, on sugar, other than *Khandasari* or palmyra sugar, produced in any factory in British India and either issued out of, or used within, such factory is Rs. 3 per cwt. The rate of excise duty on *Khandasari* sugar produced in any factory in British India and issued out of such factory is eight annas per cwt.

## SCHEDULE I—IMPORT TARIFF—contd.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
	<b>SECTION IV—contd.</b>						
	<b>PRODUCTS OF THE FOOD-PREPARING INDUSTRIES: BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO—contd.</b>						
*22(1)	.....	....	....	....	....	....	....
22(2)	ALE, BEER, PORTER, CIDER AND OTHER FERMENTED LIQUORS—						
	(a) In barrels or other containers containing 27 ozs. or more.	Revenue	Rs. 1-2 per Imperial gallon.	....	....	....	The rate at which excise duty is leviable at the place of importation plus one-fifth of the total duty.
	(b) In bottles containing less than 27 ozs. but not less than 20 ozs.	Revenue	Three annas per bottle	....	....	....	....
	(c) In bottles containing less than 13½ ozs. but not less than 10 ozs.	Revenue	One anna and six pies per bottle.	....	....	....	....
	(d) In bottles containing less than 6½ ozs. but not less than 5 ozs.	Revenue	Nine pies per bottle ..	....	....	....	....
	(e) In other containers † .. .. .	Revenue	Rs. 1-8 per Imperial gallon.	....	....	....	....
22(3)	WINES, not containing more than 42 per cent. of proof spirit—						
	(a) Champagne and other sparkling wines.	Revenue	Rs. 19-11 per Imperial gallon.	....	....	....	The rate at which excise duty is leviable at the place of importation plus one-half of the total duty.
	(b) Other sorts .. .. .	Revenue	Rs. 11-4 per Imperial gallon.	....	....	....	....
22(4)	SPIRITS (other than denatured spirit)—						
	(a) Brandy, gin, whisky and other sorts of spirits not otherwise specified, including wines containing more than 42 per cent. of proof spirit.	Revenue	Rs. 56-4 per Imperial gallon of the strength of London proof.	....	....	....	The rate at which excise duty is leviable at the place of importation plus one-half of the total duty.
	(b) Liqueurs, cordials, mixtures and other preparations containing spirit not otherwise specified—						
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Revenue	Rs. 75 per Imperial gallon.	....	....	....	....
	(ii) not so entered .. .. .	Revenue	Rs. 56-4 per Imperial gallon of the strength of London proof.	....	....	....	....
	<b>PROVIDED THAT—</b>						
	(a) the duty on any article included in this item shall in no case be less than the duty which would be charged if the article were liable to a duty of 37½ per cent. <i>ad valorem</i> ;						
	(b) where the unit of assessment is the Imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.						
22(5)	SPIRITS—						
	(a) Bitters—						
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Preferential revenue.	Rs. 75 per Imperial gallon.	....	Rs. 67-8 per Imperial gallon.	....	The rate at which excise duty is leviable at the place of importation plus one-half of the total duty.
	(ii) not so entered .. .. .	Preferential revenue.	Rs. 56-4 per Imperial gallon of the strength of London proof.	....	Rs. 50-10 per Imperial gallon of the strength of London proof.	....	....
	(b) Drugs and medicines containing spirit—†						
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Preferential revenue.	Rs. 48 per Imperial gallon.	Rs. 48-3½ per Imperial gallon.	Rs. 48-3½ per Imperial gallon.	....	....
	(ii) not so entered .. .. .	Preferential revenue.	Rs. 34-12½ per Imperial gallon of the strength of London proof.	Rs. 31-3½ per Imperial gallon of the strength of London proof.	Rs. 31-8½ per Imperial gallon of the strength of London proof.	....	....
	(c) Perfumed spirits .. .. .	Revenue	Rs. 60 per Imperial gallon or 25 per cent. <i>ad valorem</i> whichever is higher plus one-half of the total duty.	....	....	....	....
	(d) Rum .. .. .	Preferential revenue.	Rs. 56-4 per Imperial gallon of the strength of London proof.	....	Rs. 50-10 per Imperial gallon of the strength of London proof.	....	....

\* There is no entry bearing Item No. 22(1).

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1885, as amended subsequently, ale and beer in containers other than bottles are exempt from so much of the duty as is in excess of the duty that would have been leviable if such containers were bottles.

‡ If the duty is levied under proviso (a) to Item No. 22(5), the alternative *ad valorem* rates should be 24 per cent. and 36 per cent. respectively.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION IV—<i>concl.</i></b>							
PRODUCTS OF THE FOOD-PREPARING INDUSTRIES; BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO— <i>concl.</i>							
PROVIDED THAT—							
(a) on any article chargeable under this item with the lower rate of duty, the duty levied shall in no case be less than 30 per cent. <i>ad valorem</i> , and on any article chargeable under this item with the higher rate of duty, the duty levied shall in no case be less than 45 per cent. <i>ad valorem</i> ;							
(b) where the unit of assessment is the Imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.							
22(6)	DENATURED SPIRIT .. .. .	Revenue ..	11½ per cent. <i>ad valorem</i> .	....	....	Free ..	....
22(7)	VINEGAR IN CASKS .. .. .	Revenue ..	3 per cent. <i>ad valorem</i> .	....	....	Free ..	....
23	OILCAKES .. .. .	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
24	TOBACCO, manufactured, not otherwise specified.	Revenue ..	Rs. 8 per lb.	....	....	....	....
24(1)	CIGARS .. .. .	Revenue ..	The rate at which duty is for the time being leviable on articles included in Item No. 87 read with any other enactment in force plus Rs. 7-8 per lb.	....	....	10 per cent. <i>ad valorem</i> .	....
24(2)	CIGARETTES .. .. .	Revenue ..	The rate at which duty is for the time being leviable on articles included in Item No. 87 read with any other enactment in force plus Rs. 18/12/- per thousand or Rs. 7/8/- per lb. whichever is higher.	....	....	....	....
24(3)	TOBACCO, unmanufactured* .. .. .	Preferential revenue.	Rs. 7-8 per lb.	....	Rs. 7 per lb.	10 per cent. <i>ad valorem</i> .	....
<b>SECTION V.</b>							
MINERAL PRODUCTS.							
25	CHINA CLAY .. .. .	....	Free .. .. .	....	....	....	....
25(1)	SALT, excluding salt exempted under item No. 25 (2).	Revenue ..	The rate at which excise duty is for the time being leviable on salt manufactured in the place where the import takes place.†	....	....	....	....
25(2)	SALT IMPORTED INTO BRITISH INDIA AND ISSUED, in accordance with rules made with the previous sanction of the Central Government for use in any process of manufacture; also salt imported into the port of Calcutta and issued with the sanction of the Central Government to manufacturers of glazed stoneware; also salt imported into any port in the provinces of Bengal and Bihar and Orissa and issued, in accordance with rules made with the previous sanction of the Central Government for use in curing fish in those provinces.	....	Free .. .. .	....	....	....	....
25(3)	THE FOLLOWING BUILDING AND ENGINEERING MATERIALS, namely, chalk, lime and clay.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
25(4)	CEMENT not otherwise specified .. .. .	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i> .	....	12 per cent. <i>ad valorem</i> .	....
25(5)	PORTLAND CEMENT excluding white Portland cement.	Revenue ..	Rs. 16-8 per ton. ..	....	....	12 per cent. <i>ad valorem</i> .	....
25(6)	STONE prepared as for road metalling .. .. .	....	Free .. .. .	....	....	....	....
25(7)	MARBLE AND STONE not otherwise specified‡.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
26	METALLIC ORES, all sorts except ochres and other pigment ores.	....	Free .. .. .	....	....	....	....
27	COAL, COKE AND PATENT FUEL .. .. .	Revenue ..	Twelve annas per ton..	....	....	Free ..	....
27(1)	ASPHALT .. .. .	Preferential revenue.	30 per cent. <i>ad valorem</i>	....	18 per cent. <i>ad valorem</i> .	6 per cent. <i>ad valorem</i> .	....
27(2)	PITCH AND TAR .. .. .	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....

\* Under the Government of India, Finance Department (Revenue Division), Notification No. 24, Customs dated the 14th December, 1946, tobacco imported by sea into British India from the Kalat State is exempt from payment of the Customs duty leviable thereon.

† Under the Government of India, Finance Department (Revenue Division) Notification No. 1, Customs, dated the 28th February, 1947, salt specified in this item and imported by sea into British India is exempt from the Customs duty leviable thereon.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 38, dated the 22nd June, 1935, sandstone is exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION V—<i>concl.</i></b>							
<b>MINERAL PRODUCTS—<i>concl.</i></b>							
	<i>Tariff value—</i>	Per cwt.					
	Coalpitch	Rs. a. p. 8 8 0					
27(8)	ALL SORTS OF MINERAL OILS not otherwise specified.*	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
	<i>Tariff values—</i>	Per Imperial gallon.					
	Mineral Colza oil	Rs. a. p. 2 4 0					
	Transformer oil, including transil and switch oil, other than that assessed to duty under the proviso to Item No. 72(3) of the First Schedule of the Indian Tariff Act, 1934.	3 0 0					
27(4)	KEROSENE;** also any mineral oil other than kerosene and motor spirit which has its flashing point below one hundred degrees of Fahrenheit's thermometer by Abel's close test.	Revenue	Three annas per Imperial gallon.	....	....	....	....
27(5)	MINERAL OIL, not included in item No. 27(4) or Item No. 27(6) which is suitable for use as an illuminant in wick lamps.	Revenue	Three annas per Imperial gallon.	....	....	....	....
27(6)	MOTOR SPIRIT †	Revenue	The rate at which excise duty is for the time being leviable on motor spirit.	....	....	....	....
27(7)	MINERAL OIL— (a) which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer, and is ordinarily used for the batching of jute or other fibre; (b) which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, is not suitable for use as an illuminant in wick lamps, and is such as is not ordinarily used except as fuel or for some sanitary or hygienic purposes.	Revenue	Rs. 18-12 per ton	....	....	Free	....
	<i>Tariff value—</i>	Per ton.					
	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 naked in bulk.	Rs. a. p. 58 0 0					
27(8)	LUBRICATING OIL, that is, oil such as is not ordinarily used for any other purpose than lubrication, excluding any mineral oil which has its flashing point below two hundred degrees of the Fahrenheit thermometer by Abel's close test.	Revenue	Two annas and six pies per Imperial gallon.	....	....	Free	....
<b>SECTION VI.</b>							
<b>CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS.</b>							
28	CHEMICALS, DRUGS AND MEDICINES, all sorts not otherwise specified. † § ¶ ¶ ¶	Preferential revenue.	36 per cent. <i>ad valorem.</i>	24 per cent. <i>ad valorem.</i>	24 per cent. <i>ad valorem.</i>	12 per cent. <i>ad valorem.</i>	....
	<i>Tariff values—</i>	Per cwt.					
	Alkali, Indian (sajji-khar)	Rs. a. p. 14 0 0					
	Ammonium carbonate or bicarbonate.	32 0 0					
	Ammonium chloride—						
	Muriate of ammonia, crystalline, excluding rice grain crystals.	20 0 0					
	Salammoniac, sublimed	35 0 0					
	Other sorts, including compressed.	36 0 0					
	<i>Tariff values—</i>	Per lb.					
	Carbonic acid gas including compressed or liquefied gas.	0 8 0					
	Chlorine	0 8 0					

\* Under Government of India, Finance Department (Central Revenues), Notification No. 1—Customs, dated the 9th March, 1946, as amended subsequently mineral oils for the manufacture of insecticides are exempt from payment of the customs duty leviable thereon.

\*\* The rate of excise duty on the 1st January, 1947, and until further notice, on all kerosene produced in a manufactory in British India is the rate at which customs duty is for the time being leviable under the Indian Tariff Act, 1934, read with any other enactment for the time being in force.

† The rate of excise duty on the 1st January, 1947, and until further notice, on all motor spirit produced in a manufactory in British India is 12 annas per Imperial gallon.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently calcium acetate, radium salts and cryolite are exempt from payment of import duty.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 32, dated the 16th May, 1942, Ipecacuanha root, ergot of rye and cascara sagrada are exempt from payment of import duty.

¶ Under Government of India, Finance Department (Central Revenues), Notification No. 11—Customs, dated the 8th May, 1943, aluminium fluoride is exempt from payment of import duty.

¶ Under Government of India, Finance Department (Central Revenues), Notification No. 23—Customs, dated the 25th September, 1943, Mepacrine Hydrochloride is exempt from payment of import duty.

¶ Under Government of India, Finance Department (Revenue Division), Notification No. 7—Customs, dated the 6th July, 1946, as subsequently amended Paludrine or its salt, Paludrine hydrochloride, in the form of powder or tablets are exempt from the Customs duty leviable thereon.



SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION VI—<i>contd.</i></b>							
<b>CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS—<i>contd.</i></b>							
28(12)	ALKALOIDS EXTRACTED FROM CINCHONA BARK including Quinine and alkaloids derived from other sources which are chemically identical with alkaloids extracted from Cinchona Bark.		Free				
28(13)	ANTI-PLAGUE SERUM		Free				
28(14)	TOILEY REQUISITES, not otherwise specified	Revenue	80 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	
28(15)	CALCIUM CHLORIDE— (a) of British manufacture (b) not of British manufacture Provided that calcium chloride manufactured in a British Colony shall be deemed to be of British Manufacture.	Protective Protective	Rs. 3-4-0 per cwt. Rs. 4-14-0 per cwt.				31-3-1948 31-3-1948
28(16)	PHOSPHORIC ACID	Protective	Rs. 23-0-0-0 per cwt.				31-3-1949
28(17)	POTASSIUM BICHROMATE, SODIUM BICHROMATE and all CHROME Compounds	Protective	30 per cent. <i>ad valorem.</i>				31-3-1948
28(18)	The following SODIUM compounds, namely:— (a) Sodium phosphates— (i) of British manufacture (ii) not of British manufacture (b) Sodium sulphite and Sodium bisulphite— (i) of British manufacture (ii) not of British manufacture (c) Sodium thiosulphate— (i) of British manufacture (ii) not of British manufacture Provided that the articles dutiable under this item manufactured in a British Colony shall be deemed to be of British manufacture.	Protective Protective Protective Protective Protective Protective	Rs. 7-6-0 per cwt. Rs. 11-0-0 per cwt. Rs. 8-0-0 per cwt. Rs. 12-0-0 per cwt. Rs. 5-0-0 per cwt. Rs. 7-8-0 per cwt.				31-3-1949 31-3-1949 31-3-1950 31-3-1950 31-3-1950 31-3-1950
29	CINEMATOGRAPH FILMS, not exposed	Revenue	Three pies per linear foot			5 per cent. <i>ad valorem.</i>	
29(1)	CINEMATOGRAPH FILMS, exposed	Revenue	Four annas per linear foot.			20 per cent. <i>ad valorem.</i>	
30	PAINTS, COLOURS AND PAINTERS' MATERIALS, all sorts not otherwise specified, including paints, solutions and compositions containing dangerous petroleum within the meaning of the Indian Petroleum Act, 1934.	Preferential revenue.	36 per cent. <i>ad valorem.</i>	24 per cent. <i>ad valorem.</i>		12 per cent. <i>ad valorem.</i>	
	<i>Tariff value—</i>						
	Per cwt. Rs. a. p.						
	Cuttle fish bone		15 0 0				
30(1)	DYES DERIVED FROM COAL-TAR, AND COAL-TAR DERIVATIVES, used in any dyeing process.	Revenue	12 per cent. <i>ad valorem.</i>				
	<i>Tariff values—</i>						
	Per cwt. Rs. a. p.						
	Alizarine, moist—						
	(a) not exceeding 16 per cent.		180 0 0				
	(b) Over 16 per cent. not exceeding 20 per cent.		200 0 0				
	(c) exceeding 20 per cent...		390 0 0				
	Alizarine, dry—						
	(a) not exceeding 40 per cent.		5 8 0				
	(b) exceeding 40 per cent...		9 8 0				
	Congo red		3 8 0				
	Coupling dyes of the naphthol group—						
	(a) Naphthols		12 0 0				
	(b) Rapid fast colours (rapid salts).		16 0 0				
	(c) Bases		11 0 0				
	(d) Other salts		8 0 0				
	Vats—						
	(a) Indigo ( <i>i.e.</i> , pure indigo in its various concentrations).		4 0 0				
	(b) Indigo solubilised including Indigosol O and Soledon Indigo I.L.		16 0 0				
	(c) Carbazole blue		10 0 0				
	(d) Solubilised and stable Vat dyes such as Indigosols, Soledons and similar products, excluding those falling under group (b) above.		40 0 0				
	(e) Other sorts—						
	(i) Paste		10 0 0				
	(ii) Powders		24 0 0				
	Sulphur black		1 12 0				
	Metanil yellow		3 0 0				
	Aniline oil		1 12 0				
	Aniline salts		2 0 0				
	All others		4 8 0				

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
	<b>SECTION VI—<i>contd.</i></b>						
	<b>CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS—<i>contd.</i></b>						
30(2)	PAINTS, COLOURS AND PAINTERS' MATERIALS, the following, namely:—						
	(a) Red lead, genuine dry, genuine moist and reduced moist.	Preferential revenue.	30 per cent. <i>ad valorem</i> , or Rs. 4-12 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem</i> .	.....	12 per cent. <i>ad valorem</i> .	.....
	(b) White lead, genuine dry .. ..	Preferential revenue.	30 per cent. <i>ad valorem</i> , or Rs. 5-12 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem</i> .	.....	.....	.....
	(c) Zinc white, genuine dry .. ..	Preferential revenue.	30 per cent. <i>ad valorem</i> , or Rs. 6 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem</i> .	.....	.....	.....
	(d) Paints, other sorts, coloured, moist—						
	(i) in packing of 1 lb. or over ..	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 8-8 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem</i> .	.....	12 per cent. <i>ad valorem</i> .	.....
	(ii) in packing of $\frac{1}{2}$ lb. and over but less than 1 lb.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 11-4 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem</i> .	.....	.....	.....
	(iii) in packing of $\frac{1}{4}$ lb. and over but less than $\frac{1}{2}$ lb.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 17 per cwt.; whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem</i> .	.....	.....	.....
	(iv) in packing of less than $\frac{1}{4}$ lb. ..	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 24 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem</i> .	.....	.....	.....
30(3)	PAINTS, COLOURS AND PAINTERS' MATERIALS, the following, namely:—						
	(a) Red lead, reduced dry .. ..	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 4-12 per cwt., whichever is higher plus one-fifth of the total duty.	.....	.....	12 per cent. <i>ad valorem</i> .	.....
	(b) White lead, genuine moist, and reduced dry or moist.	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 5-12 per cwt., whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	(c) Zinc white, genuine moist .. ..	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 6 per cwt., whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	(d) Zinc white, reduced dry or moist ..	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 4-4 per cwt., whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
30(4)	THE FOLLOWING PAINTS, COLOURS AND PAINTERS' MATERIALS, namely, barytes, turpentine, turpentine substitute, and varnish not containing dangerous petroleum within the meaning of the Indian Petroleum Act, 1934.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
30(5)	PLUMBAGO AND GRAPHITE .. ..	Preferential revenue.	36 per cent. <i>ad valorem</i> .	.....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	.....
30(6)	PRINTER'S INK .. ..	Revenue ..	12 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
30(7)	LEAD PENCILS .. ..	Revenue ..	25 per cent. <i>ad valorem</i> or one anna per dozen, whichever is higher plus one-fifth of the total duty.	.....	.....	12 per cent. <i>ad valorem</i> .	.....
30(8)	SLATE PENCILS .. ..	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
30(9)	ABRASIVE PAPERS and rolls, coils, discs, belts, shapes and tapes, made of abrasive paper, when imported as stores apart from machinery—						
	(a) of British manufacture .. ..	Protective	24 per cent. <i>ad valorem</i>	.....	.....	.....	31-3-1949.
	(b) not of British manufacture .. ..	Protective	36 per cent. <i>ad valorem</i> .	.....	.....	.....	31-3-1949.
30(10)	EMERY CLOTH and abrasive rolls, coils, discs, belts, shapes and tapes made of emery cloth or a combination of emery cloth and paper	Protective	36 per cent. <i>ad valorem</i>	.....	.....	.....	31-3-1949.
31	NATURAL ESSENTIAL OILS, all sorts not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
31(1)	THE FOLLOWING NATURAL ESSENTIAL OILS, namely, citronella, cinnamon, and cinnamon leaf.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	.....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	.....



## SCHEDULE I—IMPORT TARIFF—contd.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION VI—contd.</b>							
<b>CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS—contd.</b>							
Tariff value— Per lb. Rs. s. p.							
31(2)	Citronella oil, natural, from the Far East. N.B.—The tariff value applies to articles packed in containers of not less than 14 lbs. The following NATURAL ESSENTIAL OILS, namely, almond, bergamot, gajupatti, camphor, cloves, eucalyptus, lavender, lemon, otto rose and peppermint.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
31(3)	ESSENTIAL OILS, synthetic	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
31(4)	CAMPOR	Revenue	60 per cent. <i>ad valorem</i> .	....	....	24 per cent. <i>ad valorem</i> .	....
31(5)	PERFUMERY not otherwise specified	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
Tariff value— Per cwt. Rs. s. p.							
32	Rose-flowers, dried	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
32(1)	SOAP, not otherwise specified	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
32(1)	SOAP, Toilet	Revenue	25 per cent. <i>ad valorem</i> or Rs. 20 per cwt., whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	....
32(2)	SOAP, household and laundry— (a) in plain bars of not less than one pound in weight.	Revenue	Rs. 4-12½ per cwt.	....	....	Re. 1-12½ per cwt.	....
	(b) other sorts	Revenue	Rs. 7-12½ per cwt.	....	....	....	....
32(3)	POLISHES AND COMPOSITIONS	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
32(4)	CANDLES	Revenue	60 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
33	GLUE, not otherwise specified	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
33(1)	GLUE, clarified, liquid	Revenue	12 per cent. <i>ad valorem</i> .	....	....	Free	....
34	GUNPOWDER FOR CANNONS, RIFLES, GUNS, PISTOLS AND SPORTING PURPOSES.	Revenue	60 per cent. <i>ad valorem</i> .	....	....	24 per cent. <i>ad valorem</i> .	....
34(1)	EXPLOSIVES, namely, blasting gunpowder, blasting gelatine, blasting dynamite, blasting roborite, blasting tonite, and all other sorts, including detonators and blasting fuze.*	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
34(2)	FIREWORKS, specially prepared as danger or distress lights for the use of ships.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
34(3)	FIREWORKS, not otherwise specified†	Revenue	60 per cent. <i>ad valorem</i> .	....	....	24 per cent. <i>ad valorem</i> .	....
34(4)	MATCHES, undipped splints and veneers— (a) Matches— (1) In boxes or booklets containing on an average not more than 40 matches.	Protective	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡ plus ten annas per gross of boxes or booklets plus one-fifth of the total duty.	....	....	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡.	....
	(2) In boxes or booklets containing on an average more than 40 but not more than 60 matches.	Protective	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡ plus fifteen annas per gross of boxes or booklets plus one-fifth of the total duty.	....	....	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡.	....
	(3) In boxes or booklets containing on an average more than 60 but not more than 80 matches.	Protective	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡ plus Re. 1-4 per gross of boxes or booklets plus one-fifth of the total duty.	....	....	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡.	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently; explosives specially adapted for use in coal mines and included in the list of "Permitted Explosives" issued by the Chief Inspector of Mines in India under the Indian Coal Mines Regulations, 1926, and in force for the time being are exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, fireworks specially designed for the use of aircraft are liable to duty at 30 per cent. *ad valorem*.

‡ For the rates of excise duty on the 1st January, 1947, and until further notice, see page 326.

§ For the rate of excise duty on the 1st January, 1947, and until further notice, see page 326. But under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, matches in boxes or booklets containing on an average more than 40 but not more than 50 matches are liable to duty at the rate equivalent to the excise duty leviable on such matches plus 12 annas and 8 plus per gross of boxes or booklets, exclusive of the additional duty (leviable under the Indian Finance Act, 1944) of one-fifth of the total duty.

¶ Under Government of India, Finance Department (Revenue Division), Notifications Nos. 4-Central Excises and 5-Central Excises, dated the 11th and 13th May, 1946, respectively, the rates of excise only, with effect from the 1st August, 1946, on matches in containers containing on an average fifty matches shall be as noted below:—

I. When manufactured in a factory whose daily output exceeds 100 gross of containers Rs. 1-12-0 per gross of containers.

II. When manufactured in a factory whose daily output does not exceed 100 gross of containers Rs. 1-11-3 per gross of containers.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION VI—<i>concl.</i></b>							
CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS— <i>concl.</i>							
	(4) All other matches . . . . .	Protective	The rate at which excise duty is for the time being leviable on such matches manufactured in British India; plus one pie for every 48 matches or fraction thereof plus one-fifth of the total duty.	....	....	The rate at which excise duty is for the time being leviable on such matches manufactured in British India.†	....
	(b) Undipped splints such as are ordinarily used for match-making.	Protective	Six annas and nine pies per lb.	....	....	12 per cent. <i>ad valorem.</i>	....
	(c) Venetians such as are ordinarily used for making boxes, including boxes and parts of boxes made of such venetians.	Protective	Nine annas per lb.	....	....	12 per cent. <i>ad valorem.</i>	....
35	MANURES, all sorts, including animal bones and the following chemical manures:—Basic slag, nitrate of ammonia, nitrate of soda, muriate of potash, sulphate of ammonia, sulphate of potash, kainit salts, carbolic, urea, nitrate of lime, calcium cyanamide, ammonium phosphates, mineral phosphates and mineral superphosphates.	....	Free . . . . .	....	....	....	....
<b>SECTION VII.</b>							
HIDES, SKINS, LEATHER, FUR SKINS, AND MANUFACTURES OF THESE MATERIALS.							
36	HIDES AND SKINS not otherwise specified . . . . .	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
36(1)	HIDES AND SKINS, raw or salted . . . . .	....	Free . . . . .	....	....	....	....
36(2)	SKINS (other than Fur Skins), tanned or dressed, and unwrought leather . . . . .	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
37	THE FOLLOWING LEATHER MANUFACTURES, namely, saddlery, harness, trunks and bags . . . . .	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
37(1)	LEATHER CLOTH INCLUDING ARTIFICIAL LEATHER, and other manufactures of leather not otherwise specified . . . . .	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
38	FUR SKINS, dressed . . . . .	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
<b>SECTION VIII.</b>							
RUBBER AND ARTICLES MADE OF RUBBER.							
39	RUBBER, raw . . . . .	....	Free . . . . .	....	....	....	....
39(1)	RUBBER TYRES AND TUBES AND OTHER MANUFACTURES OF RUBBER, not otherwise specified, excluding apparel and boots and shoes.*	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
<b>SECTION IX.</b>							
WOOD AND CORK AND WARES OF THESE MATERIALS; GOODS MADE OF PLATING MATERIALS.							
40	WOOD AND TIMBER, all sorts, not otherwise specified, including all sorts of ornamental wood.†	Revenue	30 per cent. <i>ad valorem.</i>	....	....	Free . . . . .	....
40(1)	FIREWOOD . . . . .	Revenue	3 per cent. <i>ad valorem.</i>	....	....	Free . . . . .	....
40(2)	FURNITURE AND CABINETWARE, not otherwise specified, excluding mouldings . . . . .	Revenue	30 per cent. <i>ad valorem.</i>	....	....	Free . . . . .	....
40(3)	TEA CHESTS AND PARTS AND FITTINGS thereof . . . . .	Revenue	30 per cent. <i>ad valorem.</i>	....	....	Free . . . . .	....
41	CORK MANUFACTURES not otherwise specified . . . . .	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
42	FURNITURE OF WICKERWORK OR BAMBOO . . . . .	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
<b>SECTION X.</b>							
PAPER AND ITS APPLICATIONS.							
43	WOOD PULP . . . . .	Revenue	18 per cent. <i>ad valorem.</i>	....	....	....	....
44	PAPER, all sorts, not otherwise specified . . . . .	Revenue	30 per cent. <i>ad valorem.</i>	....	....	....	....
44(1)	PASTEBOARDS, MILLBOARD, CARDBOARD AND STRAWSOARD, all sorts . . . . .	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
44(2)	TRADE CATALOGUES AND ADVERTISING CIRCULARS imported by packet, book or parcel post . . . . .	....	Free . . . . .	....	....	....	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 38, dated the 27th June, 1942 rubber scrap including unserviceable rubber tyres is exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues), Notification No. 1-Customs, dated the 9th March, 1946, as amended subsequently, wood for the manufacture of shuttles and bobbins, and wood for the manufacture of pencils are exempt from payment of the customs duty leviable thereon.

‡ Under Government of India, Finance Department (Revenue Division), Notifications Nos. 4-Central Excises and 5-Central Excises, dated the 11th and 13th May, 1946, respectively, the rates of excise duty, effective from the 1st August, 1946, shall be 8 annas for every 1,440 matches or part thereof, when manufactured in a factory whose daily output exceeds 100 gross of containers, and 7 annas and 9 pies for every 1,440 matches or part thereof, when manufactured in a factory whose daily output does not exceed 100 gross of containers.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION X—<i>concl'd.</i></b>							
<b>PAPER AND ITS APPLICATIONS—<i>concl'd.</i></b>							
44(3)	PAPER MONEY .. . . .		Free .. . . .				
44(4)	NEWSPAPERS, OLD, in bales and bags .. . . .	Revenue .. . . .	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	
45	ARTICLES MADE OF PAPER AND PAPIER MACHE; Stationery including drawing and copy books, labels, advertising circulars, sheet or card almanacs and calendars, Christmas, Easter and other cards, including cards in booklet forms; including also waste paper.*	Revenue .. . . .	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	
45(1)	BOOKS, printed, including covers for printed books, maps, charts and plans, proofs, music manuscripts, and illustrations specially made for binding in books.		Free .. . . .				
45(2)	PRINTS, ENGRAVINGS AND PICTURES (including photographs and picture post cards) on paper or cardboard.†	Revenue .. . . .	60 per cent. <i>ad valorem</i> .			24 per cent. <i>ad valorem</i> .	
<b>SECTION XI.</b>							
<b>TEXTILE MATERIALS AND TEXTILE GOODS.</b>							
46	SILK, RAW (excluding silk waste and noils), and silk cocoons.	Protective .. . . .	25 per cent. <i>ad valorem</i> plus 14 annas per lb. plus one-fifth of the total duty.			12 per cent. <i>ad valorem</i> .	March 31st, 1948.
46(1)	SILK, WASTE AND NOILS .. . . .	Protective .. . . .	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	March 31st, 1948.
46(2)	WOOL, RAW, AND WOOLCOFS .. . . .		Free .. . . .				
46(3)	COTTON, RAW‡ .. . . .	Revenue .. . . .	Two annas per lb. . . . .			Free .. . . .	
46(4)	TEXTILE MATERIALS, the following:— Raw flax, hemp, jute and all other unmanufactured textile materials not otherwise specified.	Revenue .. . . .	Raw hemp—22½ per cent. <i>ad valorem</i> ; all others—30 per cent. <i>ad valorem</i> .			Raw hemp—free; all others 12 per cent. <i>ad valorem</i> .	
46(5)	SISAL AND ALOE FIBRE .. . . .	Preferential revenue .. . . .	36 per cent. <i>ad valorem</i> .		24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	
47	SILK YARN including thrown silk warps and yarn spun from silk waste or noils, but excluding sewing thread.¶	Protective .. . . .	25 per cent. <i>ad valorem</i> plus 14 annas per lb. plus one-fifth of the total duty.			12 per cent. <i>ad valorem</i> .	March 31st, 1948.
47(1)	SILK SEWING THREAD .. . . .	Protective .. . . .	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	March 31st, 1948.
47(2)	ARTIFICIAL SILK YARN AND THREAD .. . . .	Revenue .. . . .	25 per cent. <i>ad valorem</i> or 5 annas per lb., whichever is higher plus one-fifth of the total duty.			12 per cent. <i>ad valorem</i> .	
47(3)	WOOLLEN YARN, not otherwise specified .. . . .	Revenue .. . . .	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	
47(4)	WOOLLEN YARN for weaving and knitting wool.	Revenue .. . . .	80 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	
47(5)	COTTON THREAD, other than sewing or darning thread.	Revenue .. . . .	80 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	
47(6)	COTTON TWIST AND YARN, and cotton sewing or darning thread§— (a) of counts above 50's— (i) of British manufacture .. . . . (ii) not of British manufacture .. . . . (b) of counts 50's and below— (i) of British manufacture .. . . . (ii) not of British manufacture .. . . .	Revenue .. . . . Revenue .. . . . Revenue .. . . . Revenue .. . . .	6 per cent. <i>ad valorem</i> .. . . . 7½ per cent. <i>ad valorem</i> .. . . . 5 per cent. <i>ad valorem</i> or 1½ annas per lb., whichever is higher plus one-fifth of the total duty. 6½ per cent. <i>ad valorem</i> or 1½ annas per lb., whichever is higher plus one-fifth of the total duty.				
47(7)	TWIST AND YARN OF FLAX OR JUTE .. . . .	Revenue .. . . .	80 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	
47(8)	YARN (excluding cotton yarn) such as is ordinarily used for the manufacture of belting for machinery.	Revenue .. . . .	7½ per cent. <i>ad valorem</i> .			Free .. . . .	

\* Under Government of India, Finance Department (Central Revenue), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, posters, pamphlets and other printed material intended for tourist propaganda purposes, provided they are issued by or under the auspices of the Governments of the countries, being countries outside India, within which travel is to be stimulated and are not primarily intended to advertise the services of any private tourist agency, are exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenue), Notification No. 33, dated the 22nd June, 1935, wall pictures and diagrams such as are ordinarily used for instructional purposes are exempt from payment of import duty.

‡ Under Government of India, Finance Department (Central Revenue), Notification No. 3-Camp-Customs, dated the 23rd February, 1946, cotton grown in the States of Las Bela and Kalat and imported therefrom by sea into British India is exempt from payment of the customs duty leviable thereon.

§ Under Government of India, Finance Department (Central Revenue), Notification No. 1-Customs, dated the 9th March, 1946, Manila hemp, raw, is exempt from payment of the customs duty leviable thereon.

¶ Under Government of India, Finance Department (Central Revenue), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, noil yarn is exempt from so much of the duty as is in excess of 30 per cent. *ad valorem*.

§ Under Government of India, Finance Department (Central Revenue), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, cotton sewing or darning thread wound on reels, balls, tubes, cards, bobbins, spools, cops, cheeses and cones is liable to duty at 6 per cent. *ad valorem* when the thread is of British manufacture and at 7½ per cent. *ad valorem* when it is of non-British manufacture.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XI—<i>contd.</i></b>							
<b>TEXTILE MATERIALS AND TEXTILE GOODS—<i>contd.</i></b>							
48	FABRICS, not otherwise specified, containing more than 90 per cent. of silk, including such fabrics embroidered with artificial silk—					24 per cent. <i>ad valorem</i> .	
	(a) Pongee .. .. .	Protective	50 per cent. <i>ad valorem</i> plus Re. 1 per lb. plus one-fifth of the total duty.	.....	.....		March 31st, 1948.
	(b) Fuji, Boseki and corded (excluding white cord).	Protective	50 per cent. <i>ad valorem</i> plus Re. 1-8 per lb. plus one-fifth of the total duty.	.....	.....		March 31st, 1948.
	(c) Other sorts* .. .. .	Protective	50 per cent. <i>ad valorem</i> plus Rs. 2 per lb. plus one-fifth of the total duty.	.....	.....		March 31st, 1948.
48(1)	FABRICS, not otherwise specified, containing more than 90 per cent. of artificial silk—					18 per cent. <i>ad valorem</i> .	
	(a) of British manufacture .. .. .	Protective	80 per cent. <i>ad valorem</i> or 2½ annas per square yard, whichever is higher plus one-fifth of the total duty.	.....	.....		March 31st, 1948.
	(b) not of British manufacture	Protective	50 per cent. <i>ad valorem</i> or 4 annas per square yard, whichever is higher plus one-fifth of the total duty.	.....	.....		March 31st, 1948.
48(2)	WOOLLEN FABRICS, not otherwise specified, containing more than 90 per cent. of wool, excluding felt and fabrics made of shoddy or waste wool.	Revenue	25 per cent. <i>ad valorem</i> or Re. 1-2 per lb., whichever is higher plus one-fifth of the total duty.	.....	.....	12 per cent. <i>ad valorem</i> .	.....
48(3)	COTTON FABRICS, not otherwise specified, containing more than 90 per cent. of cotton—					6 per cent. <i>ad valorem</i> .	
	(a) Grey piecegoods (excluding bordered grey chadars, dhuties, saris and scarves)—						
	(i) of British manufacture} ..	Revenue	15 per cent. <i>ad valorem</i> or 2½ annas per lb., whichever is higher plus one-fifth of the total duty.	.....	.....		.....
	(ii) not of British manufacture ..	Revenue	50 per cent. <i>ad valorem</i> or 5½ annas per lb., whichever is higher plus one-fifth of the total duty.	.....	.....		.....
	(b) Printed piecegoods and printed fabrics—						
	(i) of British manufacture} ..	Revenue	21 per cent. <i>ad valorem</i> .	.....	.....		.....
	(ii) not of British manufacture ..	Revenue	60 per cent. <i>ad valorem</i> .	.....	.....		.....
	(c) Cotton piecegoods and fabrics, not otherwise specified—						
	(i) of British manufacture} ..	Revenue	18 per cent. <i>ad valorem</i> .	.....	.....		.....
	(ii) not of British manufacture ..	Revenue	60 per cent. <i>ad valorem</i> .	.....	.....		.....
48(4)	FABRICS, not otherwise specified, containing more than 10 per cent. and not more than 90 per cent. silk—					24 per cent. <i>ad valorem</i> .	
	(a) containing more than 50 per cent. of silk or artificial silk or of both.	Protective	50 per cent. <i>ad valorem</i> plus Rs. 2 per lb. plus one-fifth of the total duty.	.....	.....		March 31st, 1948.
	(b) containing not more than 50 per cent. of silk or artificial silk or of both—						
	(i) containing more than 10 per cent. artificial silk §§	Protective	50 per cent. <i>ad valorem</i> or Re. 1-8 per lb., whichever is higher plus one-fifth of the total duty.	.....	.....		March 31st, 1948.
	(ii) containing no artificial silk or not more than 10 per cent. artificial silk §§	Protective	60 per cent. <i>ad valorem</i> .	.....	.....		March 31st, 1948.

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, (1) Chinese silk piecegoods, the following, namely, Ghat-Pote, plain and flower, and Gauze, plain and flower, are liable to duty at 50 per cent. *ad valorem* plus Re. 1 per lb. plus one-fifth of the total duty, and (2) Pa] all sorts, are exempt from so much of the duty as is in excess of 90 per cent. *ad valorem*.

† Under Government of India, Commerce Department, Notification No. 341-T.(6)/41, dated the 21st July, 1941, the articles assessable under this sub-item are liable to duty at 50 per cent. *ad valorem* or 7 annas per square yard, whichever is higher plus one-fifth of the total duty.

‡ Under Government of India, Commerce Department, Notification No. 20-T.(17)/39, dated the 16th April, 1940, the articles assessable under this sub-item are liable to duty at 12½ per cent. *ad valorem* or 2½ annas per lb. whichever is higher plus one-fifth of the total duty.

§ Under Government of India, Commerce Department, Notification No. 20-T.(12)/39, dated the 16th April, 1940, the articles assessable under this sub-item are liable to duty at 18 per cent. *ad valorem*.

¶ Under Government of India, Commerce Department, Notification No. 20-T.(17)/39, dated the 16th April, 1940, the articles assessable under this sub-item are liable to duty at 15 per cent. *ad valorem*.

§§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, woollen all-overs embroidered with artificial silk are exempt from so much of the duty as is in excess of 25 per cent. *ad valorem* or Re. 1-2 per lb., whichever is higher plus one-fifth of the total duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XI—<i>contd.</i></b>							
<b>TEXTILE MATERIALS AND TEXTILE GOODS—<i>contd.</i></b>							
48(5)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. artificial silk—					18 per cent. <i>ad valorem</i> .	
	(a) containing 50 per cent. or more cotton—						
	(i) of British manufacture	Protective	30 per cent. <i>ad valorem</i> or 2 annas per square yard, whichever is higher plus one-fifth of the total duty.	.....	.....		March 31st, 1948.
	(ii) not of British manufacture*	Protective	50 per cent. <i>ad valorem</i> or 8½ annas per square yard, whichever is higher plus one-fifth of the total duty.	.....	.....		March 31st, 1948.
	(b) containing no cotton or containing less than 50 per cent. cotton—						
	(i) of British manufacture	Protective	30 per cent. <i>ad valorem</i> or 2½ annas per square yard, whichever is higher plus one-fifth of the total duty.	.....	.....		March 31st, 1948.
	(ii) not of British manufacture†	Protective	50 per cent. <i>ad valorem</i> or 4 annas per square yard, whichever is higher plus one-fifth of the total duty.	.....	.....		March 31st, 1948.
48(6)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk, but containing more than 10 per cent. but not more than 90 per cent. wool.	Revenue	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	
48(7)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool, but containing more than 50 per cent. cotton and not more than 90 per cent. cotton—					18 per cent. <i>ad valorem</i> .	
	(a) of British manufacture	Protective	30 per cent. <i>ad valorem</i> .	.....	.....		March 31st, 1948.
	(b) not of British manufacture	Protective	60 per cent. <i>ad valorem</i> .	.....	.....		March 31st, 1948.
48(8)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool or 50 per cent. cotton.	Revenue	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	
48(9)	THE FOLLOWING COTTON FABRICS, namely, Satens including Italians of Saten weave, velvets and velveteens and embroidered all-overs—					6 per cent. <i>ad valorem</i> .	
	(a) Printed fabrics—						
	(i) of British manufacture‡	Revenue	21 per cent. <i>ad valorem</i> .	.....	.....		.....
	(ii) not of British manufacture	Revenue	42 per cent. <i>ad valorem</i> .	.....	.....		.....
	(b) Other fabrics—						
	(i) of British manufacture‡	Revenue	18 per cent. <i>ad valorem</i> .	.....	.....		.....
	(ii) not of British manufacture	Revenue	42 per cent. <i>ad valorem</i> .	.....	.....		.....
48(10)	FABRICS containing gold or silver thread	Protective	60 per cent. <i>ad valorem</i> .	.....	.....	24 per cent. <i>ad valorem</i> .	March 31st, 1948.
49	TEXTILE MANUFACTURES, the following articles when made wholly or mainly of any of the fabrics specified in						
	(a) Item No. 48, 48(1), 48(4), 48(5), 48(7) or 48(10)	Protective	The <i>ad valorem</i> rates of duty applicable to the fabric of which the article is wholly or mainly made.	.....	.....	The <i>ad valorem</i> rates of duty applicable to the fabric of which the article is wholly or mainly made.	The duration applicable to the fabric of which the article is wholly or mainly made.
	(b) Item No. 48(3), or 48(9)	Revenue	The <i>ad valorem</i> rates of duty applicable to the fabric of which the article is wholly or mainly made.	.....	.....	The <i>ad valorem</i> rates of duty applicable to the fabric of which the article is wholly or mainly made.	The duration applicable to the fabric of which the article is wholly or mainly made.
	Bed sheets.						
	Bedspreads.						
	Bolster cases.						
	Counterpanes.						
	Cloths, table.						
	Cloths, tray.						
	Covers, bed.						
	Covers, table.						
	Dusters.						
	Glass-cloths.						
	Handkerchiefs.						
	Napkins.						
	Pillow cases.						
	Pillow slips.						
	Scarves.						
	Shirts.						
	Shawls.						
	Sacks (cotton).						
	Towels.						
	Umbrella Coverings.						

\* Under Government of India, Commerce Department, Notification No. 341-T. (6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50 per cent. *ad valorem* or 5½ annas per square yard, whichever is higher plus one-fifth of the total duty.

† Under Government of India, Commerce Department, Notification No. 341-T. (6)/41, dated the 21st July, 1941, the articles assessable under this sub-item are liable to duty at 50 per cent. *ad valorem* or 7 annas per square yard, whichever is higher plus one-fifth of the total duty.

‡ Under Government of India, Commerce Department, Notification No. 20-T. (17)/39, dated the 16th April, 1940, the articles assessable under this sub-item are liable to duty at 18 per cent. *ad valorem*.

§ Under Government of India, Commerce Department, Notification No. 20-T. (17)/39, dated the 16th April, 1940, the articles assessable under this sub-item are liable to duty at 15 per cent. *ad valorem*.

## SCHEDULE I—IMPORT TARIFF—contd.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XI—contd.</b>							
<b>TEXTILE MATERIALS AND TEXTILE GOODS—contd.</b>							
49(1)	FRENDS, being <i>bona fide</i> remnants of piecegoods or other fabrics—					24 per cent. <i>ad valorem</i> .	
	(a) of materials liable to duty under Item 48(3), not exceeding 4 yards in length.	Preferential revenue.	42 per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i> .	....	....	....
	(b) of materials liable to duty under Item 48, 48(1), 48(4), or 48(5), not exceeding 2½ yards in length.	Preferential revenue.	42 per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i> .	....	....	....
	(c) of other materials, not exceeding 4 yards in length.	Preferential revenue.	42 per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i> .	....	....	....
49(2)	RIBBONS .. . . . .	Revenue ..	60 per cent. <i>ad valorem</i> .	....	....	24 per cent. <i>ad valorem</i> .	....
49(3)	BLANKETS AND RUGS (other than floor rugs), excluding blankets and rugs made wholly or mainly from artificial silk.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
49(4)	WOOLLEN CARPETS, FLOOR RUGS, SHAWLS AND OTHER MANUFACTURES OF WOOL, not otherwise specified, including felt.*	Preferential revenue.	42 per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i> .	....	18 per cent. <i>ad valorem</i> .	....
49(5)	COTTON BRAIDS OR CORDS, the following, namely:— Ghoosis and Muktakesis.	Revenue ..	7½ annas per lb. ..	....	....	Free.	....
50	JUTE MANUFACTURES, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
50(1)	SECOND HAND OR USED GUNNY BAGS OR CLOTH made of jute.	....	Free .. . . .	....	....	....	....
50(2)	HEMP MANUFACTURES .. . . . .	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
50(3)	COTTON, HAIR AND CANVAS PLY belting for machinery.	Revenue ..	7½ per cent. <i>ad valorem</i> .	....	....	Free.	....
50(4)	ROPES, cotton .. . . . .	....	Free .. . . .	....	....	....	....
50(5)	OIL CLOTH AND FLOOR CLOTH .. . . .	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
50(6)	CORDAGE, ROPE AND TWINE OF VEGETABLE FIBRE other than jute and cotton, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
50(7)	MATS AND MATTINGS, not otherwise specified	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
50(8)	COIR FIBRE, COIR YARN AND COIR MATS AND MATTING.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....
	Tariff value—	Per cwt.					
	Coir fibre .. . . . .	Rs. a. p.					
		16 8 0					
51	SOCKS AND STOCKINGS made wholly or mainly from silk or artificial silk.	Revenue ..	60 per cent. <i>ad valorem</i> .	....	....	24 per cent. <i>ad valorem</i> .	....
51(1)	WOOLLEN HOSIERY AND WOOLLEN KNITTED APPAREL, that is to say, all hosiery and knitted apparel containing not less than 15 per cent. of wool by weight.	Revenue ..	25 per cent. <i>ad valorem</i> or Re. 1·2 per lb., whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	....
51(2)	COTTON KNITTED APPAREL, including apparel made of cotton interlocking material, cotton undervests, knitted or woven, and cotton socks and stockings—					12 per cent. <i>ad valorem</i> .	
	(a) of a weight not exceeding 4 lbs. per dozen.	Revenue ..	25 per cent. <i>ad valorem</i> or 12 annas per lb., whichever is higher plus one-fifth of the total duty.	....	....	....	....
	(b) of a weight exceeding 4 lbs. per dozen.	Revenue ..	25 per cent. <i>ad valorem</i> or 10 annas per lb., whichever is higher plus one-fifth of the total duty.	....	....	....	....
51(8)	COTTON KNITTED FABRIC .. . . . .	Revenue ..	50 per cent. <i>ad valorem</i> or 12 annas per lb., whichever is higher plus one-fifth of the total duty.	....	....	24 per cent. <i>ad valorem</i> .	....
52	APPAREL, HOSIERY, HABERDASHERY, MILLINERY AND DRAPEY, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
52(1)	SILK OR ARTIFICIAL SILK GOODS used or required for medical purposes, namely:— silk or artificial silk ligatures; elastic silk or artificial silk hosiery, elbow pieces, thigh pieces, knee caps, leggings, socks, anklets, stockings, suspensory bandages, silk or artificial silk abdominal belts, silk or artificial silk web catheter tubes; and other silk or artificial silk.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, woollen waste and rags are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XI—<i>concl.</i></b>							
<b>TEXTILE MATERIALS AND TEXTILE GOODS—<i>concl.</i></b>							
52(2)	UNIFORMS AND ACCOUTREMENTS APPERTAINING THERETO, imported by a public servant for his personal use.	....	Free .. . . .	....	....	....	....
52(3)	INSIGNIA AND BADGES of official British and Foreign Orders.	....	Free .. . . .	....	....	....	....
53	TEXTILE MANUFACTURES, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
53(1)	RAGS AND OTHER PAPER-MAKING MATERIALS excluding wood pulp.	....	Free .. . . .	....	....	....	....
<b>SECTION XII.</b>							
<b>FOOTWEAR, HATS, UMBRELLAS AND PARASOLS; ARTICLES OF FASHION.</b>							
54	BOOTS AND SHOES .. . . .	Revenue ..	25 per cent. <i>ad valorem</i> or six annas per pair, whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	....
54(1)*	....	....	....	....	....	....	....
54(2)	UPPERS FOR BOOTS AND SHOES unless entirely made of leather.	Revenue ..	25 per cent. <i>ad valorem</i> or three annas per pair, whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	....
55	HATS, CAPS, BONNETS AND HATTERS' WARE, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
56	PARASOLS AND SUNSHADES AND FITTINGS for umbrellas, parasols and sunshades.†	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
56(1)	UMBRELLAS .. . . .	Revenue ..	25 per cent. <i>ad valorem</i> or eight annas each, whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	....
57*	....	....	....	....	....	....	....
<b>SECTION XIII.</b>							
<b>WARES OF STONE AND OF OTHER MINERAL MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE.</b>							
58	ARTICLES MADE OF STONE OR MARBLE ..	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
58(1)	ASBESTOS MANUFACTURES, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
58(2)	PACKING—ENGINE AND BOILER—all sorts, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
59	BUILDING AND ENGINEERING MATERIALS, all sorts not of iron, steel or wood, not otherwise specified, including tiles other than glass, earthenware or porcelain tiles, and firebricks not being component parts of any articles included in Item No. 72 or No. 74(2).‡	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
59(1)	BUILDING AND ENGINEERING BRICKS ..	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
59(2)	EARTHENWARE, CHINA AND PORCELAIN, all sorts not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
59(3)	EARTHENWARE PIPES AND SANITARY WARE ..	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
59(4)	TILES OF EARTHENWARE AND PORCELAIN ..	Revenue ..	25 per cent. <i>ad valorem</i> or two annas per square foot, whichever is higher plus one-fifth of the total duty	....	....	12 per cent. <i>ad valorem</i> .	....

\* There are no entries bearing Item Nos. 54(1) and 57.

† Under Government of India, Finance Department (Central Revenues), Notification No. 1—Customs, dated the 9th March, 1946, fittings for umbrellas, parasols and sunshades are exempt from payment of so much of the customs duty leviable thereon as is in excess of 15 per cent. *ad valorem*.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 85 dated the 22nd June, 1935, sand is exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
	<b>SECTION XIII—<i>contd.</i></b>						
	<b>WARES OF STONE AND OF OTHER MINERAL MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE—<i>contd.</i></b>						
59(5)	DOMESTIC EARTHENWARE, china and porcelain, the following, namely:—						12 per cent. <i>ad valorem</i> .
	(a) Tea cups and coffee cups—						
	(i) having a capacity of more than 7½ ozs.	Revenue	25 per cent. <i>ad valorem</i> or ten annas per dozen, whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	(ii) having a capacity of not more than 7½ ozs.	Revenue	25 per cent. <i>ad valorem</i> or four annas per dozen, whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	(b) Saucers—						
	(i) for use with tea cups or coffee cups having a capacity of more than 7½ ozs.	Revenue	25 per cent. <i>ad valorem</i> or five annas per dozen, whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	(ii) for use with tea cups or coffee cups having a capacity of not more than 7½ ozs.	Revenue	25 per cent. <i>ad valorem</i> or two annas per dozen, whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	(c) Tea-pots—						
	(i) having a capacity of more than 20 ozs.	Revenue	25 per cent. <i>ad valorem</i> or Rs. 3 per dozen, whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	(ii) having a capacity of more than 10 ozs. and not more than 20 ozs.	Revenue	25 per cent. <i>ad valorem</i> or Re. 1-8 per dozen, whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	(iii) having a capacity of not more than 10 ozs.	Revenue	25 per cent. <i>ad valorem</i> or twelve annas per dozen, whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	(d) Sugar-bowls	Revenue	25 per cent. <i>ad valorem</i> or Re. 1-8 per dozen, whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	(e) Jugs having a capacity of over 10 ozs.	Revenue	25 per cent. <i>ad valorem</i> or twelve annas per dozen, whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	(f) Plates over 5½ inches in diameter—						
	(i) over 5½ inches in diameter	Revenue	25 per cent. <i>ad valorem</i> or Re. 1 per dozen, whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	(ii) not over 5½ inches in diameter.	Revenue	25 per cent. <i>ad valorem</i> or ten annas per dozen, whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
59(6)	COVERED CRUCIBLES FOR GLASS-MAKING	Revenue	30 per cent. <i>ad valorem</i> .	.....	.....	.....	12 per cent. <i>ad valorem</i> .
60	GLASS AND GLASSWARE, not otherwise specified, and lacquered ware.	Revenue	30 per cent. <i>ad valorem</i>	.....	.....	.....	Lacquered-ware—free; all others 12 per cent. <i>ad valorem</i> .
60(1)	GLASS GLOBES AND CHIMNEYS for lamps and lanterns—						12 per cent. <i>ad valorem</i> .
	(a) Globes for hurricane lanterns	Revenue	25 per cent. <i>ad valorem</i> or four annas and six pies per dozen, whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	(b) Other globes and chimneys having an external base diameter of over one inch.	Revenue	25 per cent. <i>ad valorem</i> or three annas per dozen, whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
60(3)	ELECTRIC LIGHTING BULBS	Revenue	60 per cent. <i>ad valorem</i> .	.....	.....	.....	24 per cent. <i>ad valorem</i> .
60(5)	GLASS BANGLES, GLASS BEADS AND FALSE PEARLS.	Revenue	60 per cent. <i>ad valorem</i> .	.....	.....	.....	24 per cent. <i>ad valorem</i> .



SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XIV.</b>							
<b>REAL PEARLS, PRECIOUS STONES, PRECIOUS METALS AND WARES OF THOSE MATERIALS; COIN (SPECIE).</b>							
61	PRECIOUS STONES, unset and imported uncut, and Pearls, unset.	.....	Free .. . . .	.....	.....	.....	.....
61(1)	PRECIOUS STONES, unset and imported cut* ..	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	.....	.....
61(2)	SILVER BULLION AND SILVER SHEETS AND PLATES which have undergone no process of manufacture subsequent to rolling.†	Revenue ..	Eight annas per ounce.	.....	.....	.....	.....
61(3)	GOLD BULLION AND GOLD SHEETS AND PLATES which have undergone no process of manufacture subsequent to rolling.	Revenue ..	Rs. 25 per tola of 180 grains fine.	.....	.....	.....	.....
61(4)	SILVER PLATE AND SILVER MANUFACTURES, all sorts not otherwise specified.	Revenue ..	60 per cent. <i>ad valorem</i> .	.....	.....	24 per cent. <i>ad valorem</i> .	.....
61(5)	SILVER THREAD AND WIRE (including so-called gold thread and wire mainly made of silver) and silver leaf including also imitation gold and silver thread and wire, lametta and metallic spangles and articles of a like nature, of whatever metal made.‡	Protective ..	75 per cent. <i>ad valorem</i> .	.....	.....	24 per cent. <i>ad valorem</i> .	March 31st, 1948.
61(6)*	GOLD PLATE, GOLD LEAF AND GOLD MANUFACTURES, all sorts not otherwise specified.	Revenue ..	60 per cent. <i>ad valorem</i> .	.....	.....	24 per cent. <i>ad valorem</i> .	.....
61(7)	GOLD OR GOLD-PLATED PEN NIBS .. . .	Revenue ..	60 per cent. <i>ad valorem</i> .	.....	.....	24 per cent. <i>ad valorem</i> .	.....
61(8)	ARTICLES, other than cutlery and surgical instruments, plated with gold or silver.‡	Revenue ..	60 per cent. <i>ad valorem</i> .	.....	.....	24 per cent. <i>ad valorem</i> .	.....
61(9)	CUTLERY, plated with gold or silver .. . .	Revenue ..	60 per cent. <i>ad valorem</i> .	.....	.....	24 per cent. <i>ad valorem</i> .	.....
61(10)	JEWELLERY AND JEWELS‡ .. . . .	Revenue ..	60 per cent. <i>ad valorem</i> .	.....	.....	24 per cent. <i>ad valorem</i> .	.....
62	CURRENT COIN OF THE GOVERNMENT OF INDIA.	.....	Free .. . . .	.....	.....	.....	.....
62(1)	SILVER COIN, not otherwise specified   .. . .	Revenue ..	Eight annas per ounce.	.....	.....	.....	.....
62(2)	GOLD COIN   .. . . .	Revenue ..	Rs. 25 per tola of 180 grains fine.	.....	.....	.....	.....
<b>SECTION XV.</b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM.</b>							
63	IRON OR STEEL, old†† .. . . .	Revenue ..	18½ per cent. <i>ad valorem</i> .	.....	.....	Free	.....
	<i>Tariff value—</i>						
	Per cwt.						
	Rs. a. p.						
	Iron or steel, old for remelting.		1 8 0				
63(1)	IRON ALLOYS, viz., ferro-manganese, ferro-silicon, ferro-chrome, spiegeleisen and the like as commonly used for steel making.	Revenue ..	18½ per cent. <i>ad valorem</i> .	.....	.....	Free	.....
63(2)	IRON OR STEEL ANGLE, CHANNEL, TEE, FLAT, (OTHER THAN ALLOY, TOOL OR SPECIAL STEEL) BEAM, ZED, TROUGH AND PILING—					Free	
	(a) not fabricated—						
	(i) of British manufacture—						
	not coated with other metals..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;‡ or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	coated with other metals ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;‡ or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....	.....	.....
	(ii) not of British manufacture ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;‡ plus Rs. 43 per ton plus one-fifth of the total duty.	.....	.....	.....	.....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, precious stones imported cut and unset are liable to duty at 6 per cent. *ad valorem*.

† The rate of excise duty on the 1st January, 1947, and until further notice, on all silver produced in silver works in British India, is 3 annas and 7½ pies per ounce Troy.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, all the articles included in this item are liable to duty at 60 per cent. *ad valorem*.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, articles of imitation jewellery (including buttons and other fasteners) which consist of, or include, base metal plated with gold or silver or both and in which the proportion of gold or silver or both together to total metallic contents is less than 1.5 per cent., are liable to duty which would have been leviable had they contained no gold or silver.

|| Under Government of India, Finance Department (Revenue Division), Notification No. 11—Customs, dated the 12th August, 1946, articles assessable under Items Nos. 61(2) and 61(3), 62(1) and 62(2) are exempt from payment of one-half of the customs duty leviable thereon.

†† Under Government of India, Finance Department (Central Revenues), Notification No. 80-C, dated the 4th October, 1941, as amended subsequently, iron and steel, old, covered by this item when imported from Burma, are exempt from payment of import duty.

‡‡ The rate of excise duty on the 1st January, 1947, and until further notice on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XV—<i>contd.</i></b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i></b>							
<b>(b) fabricated—</b>							
	(i) of British manufacture .. ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton plus one-fifth of the total duty.	....	....	Free ..	....
	(ii) not of British manufacture ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton plus one-fifth of the total duty.	....	....	....	....
63(8)	IRON OR STEEL (OTHER THAN ALLOY, TOOL OR SPECIAL STEEL) BAR AND ROD— (i) of British manufacture .. ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	Free ..	....
	(ii) not of British manufacture .. ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 39 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	....	....
63(4)	IRON, pig .. .. .	Revenue ..	18½ per cent. <i>ad valorem</i> .	....	....	Free ..	....
63(5)	IRON RICE BOWLS .. .. .	Revenue ..	18½ per cent. <i>ad valorem</i> .	....	....	Free ..	....
63(6)	CAST IRON PIPES AND TUBES: also cast iron fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like— (i) of British manufacture† .. ..	Revenue ..	12 per cent. <i>ad valorem</i> .	....	....	Free ..	....
	(ii) not of British manufacture .. ..	Revenue ..	Rs. 68-0-0 per ton ..	....	....	....	March 31st, 1947.
63(7)	CAST IRON PLATES .. .. .	Revenue ..	18½ per cent. <i>ad valorem</i> .	....	....	Free ..	....
63(9)	STEEL INGOTS .. .. .	Revenue ..	The excise duty leviable for the time being on steel ingots produced in British India* ; or 15½ per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	Free ..	....
	Iron or steel blooms, billets and slabs, provided that no piece less than 1½ inches square or thick shall be included in this item.‡						
63(8)	IRON OR STEEL STRUCTURES, fabricated partially or wholly, not otherwise specified, if made mainly or wholly of iron or steel bars, sections, plates or sheets, for the construction of buildings, bridges, tanks, well curbs, trestles, towers and similar structures or for parts thereof, but not including builders' hardware or any of the articles specified in Item Nos. 72, 72(9), 74(1), 75(2), 75(4) or 76(1)— (a) of British manufacture .. ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton plus one-fifth of the total duty.	....	....	....	....
	(b) not of British manufacture .. ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton plus one-fifth of the total duty.	....	....	....	....
63(10)	STEEL, TINPLATES AND TINNED SHEETS, including tin taggers, and cuttings of such plates, sheets or taggers— (i) of British manufacture .. ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 38 per ton plus one-fifth of the total duty.	....	....	Free ..	....

\* The rate of excise duty on the 1st January, 1947, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, cast iron fittings for cast iron pipes and tubes, that is to say, bends, boots, elbows, tees, sockets, plugs, valves, cocks and the like of British manufacture are exempt from so much of the duty as is in excess of Rs. 68 per ton.

‡ Under Government of India, Finance Department (Central Revenues) Notification No. 33 dated the 22nd June, 1935, iron or steel billets are exempt from payment of the alternative *ad valorem* duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XV—<i>contd.</i></b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i></b>							
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 50 per ton plus one-fifth of the total duty.	.....	.....	Free	.....
68(11)	IRON OR STEEL ANCHORS AND CABLES	Revenue	18½ per cent. <i>ad valorem</i> .	.....	.....	Free	.....
68(12)	A. IRON OR STEEL BOLTS AND NUTS, including hookbolts and nuts for roofing but excluding fish bolts and nuts—					Free	
	(i) of British manufacture†	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India,* or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....		.....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 1-8-0 per cwt. plus one-fifth of the total duty.	.....	.....		.....
	B. IRON OR STEEL FISH BOLTS AND NUTS—					Free	
	(i) of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India,* or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....		.....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 4-5-0 per cwt. plus one-fifth of the total duty.	.....	.....		.....
68(13)	IRON OR STEEL EXPANDED METAL	Revenue	18½ per cent. <i>ad valorem</i> .	.....	.....	Free	.....
68(14)	IRON OR STEEL HOOPS AND STRIPS	Preferential revenue.	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	.....	Free	.....
68(15)	IRON OR STEEL RIVETS—					Free	
	(i) of British manufacture‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India,* or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....		.....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 1-14-0 per cwt. plus one-fifth of the total duty.	.....	.....		.....
68(16)	IRON OR STEEL NAILS AND WASHERS, all sorts not otherwise specified.	Revenue	18½ per cent. <i>ad valorem</i> .	.....	.....	Free	.....
68(17)	IRON OR STEEL PIPES AND TUBES AND FITTINGS THEREON, if riveted or otherwise built up of plates or sheets—					Free	
	(i) of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 12 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....		.....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 35 per ton plus one-fifth of the total duty.	.....	.....		.....

\* The rate of excise duty on the 1st January, 1947, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, iron or steel bolts and nuts of British manufacture, including hook-bolts and nuts for roofing but excluding fish bolts and nuts are exempt from so much of the duty as is in excess of Rs. 44-11½ per ton.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, iron or steel rivets of British manufacture are exempt from so much of the duty as is in excess of Rs. 52-3½ per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XV—<i>contd.</i></b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i></b>							
68(18)	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.	Revenue	18½ per cent. <i>ad valorem</i> .	.....	.....	Free	.....
68(19)	IRON OR STEEL PLATES EXCLUDING CAST IRON PLATES—					Free	
	(a) not fabricated—						
	(i) of British manufacture*—						
	not coated with other metals	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....		.....
	coated with other metals	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India;† or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....		.....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India‡ plus Rs. 25 per ton plus one-fifth of the total duty.	.....	.....		.....
	(b) fabricated—						
	(i) of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India‡ plus Rs. 40 per ton plus one-fifth of the total duty.	.....	.....		.....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India‡ plus Rs. 40 per ton plus one-fifth of the total duty.	.....	.....		.....
68(20)	IRON OR STEEL SHEETS OTHER THAN HIGH SILICON ELECTRICAL STEEL SHEETS					Free	
	(a) not fabricated—						
	(1) not galvanized—						
	(i) of British manufacture‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India‡ plus Rs. 11 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....		.....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India‡ plus Rs. 32 per ton plus one-fifth of the total duty.	.....	.....		.....
	(2) galvanized—						
	(i) of British manufacture‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India‡ plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....		.....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India‡ plus Rs. 40 per ton plus one-fifth of the total duty.	.....	.....		.....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, iron or steel plates of British manufacture, assessable under this sub-item are exempt from so much of the duty as is in excess of Rs. 36-6 2/5 per ton

† The rate of excise duty on the 1st January, 1947, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently iron or steel sheets of British manufacture assessable under that sub-item are exempt from so much of the duty as is in excess of Rs. 44-12½ per ton.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, iron or steel sheets of British manufacture assessable under this sub-item are exempt from so much of the duty as is in excess of Rs. 54-6 2/5 per ton

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XV—<i>contd.</i></b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i></b>							
	(b) fabricated—						
	(1) not galvanized—						
	(i) of British manufacture*	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 12 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....	Free	.....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 35 per ton plus one-fifth of the total duty.	.....	.....		.....
	(2) galvanized—						
	(i) of British manufacture ‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 11 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....		.....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 44 per ton plus one-fifth of the total duty.	.....	.....		.....
88(21)	<b>IRON OR STEEL RAILWAY TRACK MATERIAL—</b>						
	<b>A. Rails (including tramway rails the heads of which are not grooved)—</b>						
	(a) 30 lbs. per yard and over, and fish-plates therefor—						
	(i) of British manufacture‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....		.....
	(ii) not of British manufacture‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† or 20 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....		.....
	(b) under 30 lbs. per yard and fish-plates therefor—						
	(i) of British manufacture‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....		.....
	(ii) not of British manufacture‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 39 per ton plus one-fifth of the total duty.	.....	.....		.....
	<b>B. Switches and crossings including stretcher bars and other component parts, and switches and crossings including stretcher bars and other component parts for tramway rails the heads of which are not grooved—</b>						
	(a) for rails 30 lbs. per yard and over—						
	(i) of British manufacture‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India† or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....		.....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently iron or steel sheets of British manufacture assessable under this sub-item are exempt from so much of the duty as is in excess of Rs. 49-3 1/5 per ton.

† The rate of excise duty on the 1st January, 1947, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently iron or steel sheets of British manufacture assessable under this sub-item are exempt from so much of the duty as is in excess of Rs. 60 per ton.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 80-C., dated the 4th October, 1941, as amended subsequently, used iron or steel railway track material, covered by this item, when imported from Burma, are exempt from payment of import duty.

## SCHEDULE I—IMPORT TARIFF—contd.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XV—contd.</b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—contd.</b>							
	(i) not of British manufacture†	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* or 20 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	Free	....
	(b) for rails under 30 lbs. per yard—						
	(i) of British manufacture†	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 11 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture†	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 43 per ton plus one-fifth of the total duty.	....	....		....
	C. Sleepers, and sleeper bars, other than cast iron—						
	(i) of British manufacture‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* or 20 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	D. Spikes (other than dog-spikes) and tie-bars—						
	(i) of British manufacture†	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture†	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 39 per ton plus one-fifth of the total duty.	....	....		....
	E. Dog-spikes—						
	(i) of British manufacture‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus 7 annas per cwt.; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 2-15-0 per cwt. plus one-fifth of the total duty.	....	....		....
	F. Gibs, cotters, keys (including tapered key bars), distance pieces and other fastenings for use with iron or steel sleepers—						
	(i) of British manufacture‡	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus 7 annas per cwt.; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....

\* The rate of excise duty on the 1st January, 1947, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

† Under Government of India, Finance Department (Central Revenues), Notification No. 80-C, dated the 4th October, 1941, as amended subsequently, used iron or steel railway track material, covered by this item, when imported from Burma, are exempt from payment of import duty.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, iron or steel sleeper bars other than cast iron are exempt from payment of the alternative *ad valorem* duty.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 80-C, dated the 4th October, 1941, as amended subsequently, used iron or steel railway or tramway track material covered by these items when imported from Burma, are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma	
<b>SECTION XV—<i>contd.</i></b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i></b>							
	(ii) not of British manufacture†	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 2-15-0 per cwt. plus one-fifth of the total duty.	....	....	Free	....
63(22)	IRON OR STEEL RAILWAY TRACK MATERIALS,† not otherwise specified, including bearing plates, cast iron sleepers and lever boxes.	Revenue	18½ per cent. <i>ad valorem</i> .	....	....	Free	....
63(23)	IRON OR STEEL TRAMWAY TRACK MATERIALS,† not otherwise specified, including rails, fish-plates, tie-bars, switches, crossings and the like materials of shapes and sizes specially adapted for tramway tracks.	Revenue	18½ per cent. <i>ad valorem</i> .	....	....	Free	....
63(24)	IRON OR STEEL BARBED OR STRANDED WIRE AND WIRE ROPE.	Preferential revenue.	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....	Free	....
63(25)	IRON OR STEEL WIRE, other than high carbon or spring steel wire, barbed or stranded wire, wire rope or wire netting; and iron or steel wire nails—					Free	....
	(i) of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 25 per ton plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 60 per ton plus one-fifth of the total duty.	....	....		....
63(26)	IRON OR STEEL (other than bar or rod) specially designed for the reinforcement of concrete.	Revenue	13½ per cent. <i>ad valorem</i> .	....	....	Free	....
63(27)	IRON OR STEEL, the original material (but not including machinery) of any ship or other vessel intended for inland or harbour navigation which has been assembled abroad, taken to pieces and shipped for reassembly in India—					Free	....
	(i) of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not of British manufacture	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 27-8-0 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....
	Provided that articles dutiable under this item shall not be deemed to be dutiable under any other item.						
63(28)	ALL SORTS OF IRON AND STEEL AND MANUFACTURES THEREOF, not otherwise specified.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	Free	....
	<i>Tariff values—</i>						
	Iron and Steel cans or drums—	Per can.					
	When imported containing kerosene and motor spirit, namely:—	Rs. a. p.					
	Cans, tinned, of four gallons capacity.	1 2 0					
	Cans or drums, not tinned, of two gallons capacity—	Per can or drum.					
	(a) with facet caps ..	2 0 0					
	(b) ordinary ..	0 12 0					

\* The rate of excise duty on the 1st January, 1947, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

† Under Government of India, Finance Department (Central Revenue), Notification No. 80-C, dated the 4th October 1941, as amended subsequently, used iron or steel railway or tramway track material, covered by these items, when imported from Burma, are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XV—<i>contd.</i></b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i></b>							
	Drums of four <sup>1</sup> / <sub>2</sub> gallons capacity—	Per drum.					
	(a) with faucet caps ..	Rs. a. p. 2 12 0					
	(b) ordinary .. ..	1 8 0					
63(29)	ENAMELLED IRONWARE, the following, namely:—					Free	
	(a) Sign-boards .. .. .	Revenue ..	25 per cent. <i>ad valorem</i> , or four and a half annas per square foot, whichever is higher plus one-fifth of the total duty.	....	....		..
	(b) Domestic hollow-ware, the following, namely, basins, bowls, dishes, plates and thalas, including rice-cups, rice-bowls and rice-plates—						
	(i) having no diameter exceeding 19 centimetres.	Revenue ..	25 per cent. <i>ad valorem</i> or per dozen four annas plus one anna for every two centimetres or part thereof by which any diameter exceeds 11 centimetres, whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) having any diameter exceeding 19 centimetres.	Revenue ..	25 per cent. <i>ad valorem</i> or per dozen eight annas plus two annas for every two centimetres or part thereof by which any diameter exceeds 19 centimetres, whichever is higher plus one-fifth of the total duty.	....	....		....
63(30)	ALLOY, TOOL OR SPECIAL STEEL, rod, bar and flat—						
	(a) of British manufacture .. ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 10 per ton, or 10 per cent. <i>ad valorem</i> , whichever is higher, plus one-fifth of such higher amount.	....	....		31-3-1948.
	(b) not of British manufacture .. ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 39 per ton or 20 per cent. <i>ad valorem</i> , whichever is higher, plus one-fifth of such higher amount.	....	....		31-3-1948.
63(31)	HIGH SILICON, Electrical Steel Sheets—						
	(a) of British manufacture .. ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 11 per ton or 10 per cent. <i>ad valorem</i> , whichever is higher, plus one-fifth of such higher amount.	....	....		31-3-1948.
	(b) not of British manufacture .. ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India plus Rs. 32 per ton plus one fifth of the total of such amounts.	....	....		31-3-1948.
63(32)	HIGH CARBON OR SPRING STEEL WIRE—						
	(a) of British manufacture .. ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India, plus Rs. 25 per ton, plus one-fifth of the total of such amounts.	....	....		31-3-1948.



## SCHEDULE I—IMPORT TARIFF—contd.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XV—concl'd.</b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—concl'd.</b>							
	(b) not of British manufacture .. .. .	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India, plus Rs. 60 per ton plus one-fifth of the total of such amounts.	.....	.....	.....	31-3-1948.
63(33)	IRON OF STEEL WOODSCREWS .. .. .	Protective ..	30 per cent. <i>ad valorem</i> .	.....	.....	.....	31-3-1950.
64	COPPER, wrought, and manufactures of copper, all sorts, not otherwise specified.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i>	.....	Free	.....
64(1)	COPPER, scrap* .. .. .	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
65	GERMAN SILVER including nickel silver* ..	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
66	ALUMINIUM—circles, sheets and other manufactures, not otherwise specified.*	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
66(1)	UNWROUGHT INGOTS, BLOCKS AND BARS OF ALUMINIUM.*	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
67	LEAD, wrought—the following articles, namely, pipes and tubes and sheets other than sheets for tea chests.*	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
67(1)	LEAD SHEETS FOR TEA CHESTS* .. .. .	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
68	ZINC OR SPELTER, wrought or manufactured, not otherwise specified.*	Revenue ..	80 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
68(1)	ZINC, unwrought, including cakes, ingots, tiles (other than boiler tiles), hard or soft slabs and plates, dust, dross and ashes; and broken zinc.*	.....	Free .. .. .	.....	.....	.....	.....
69	TIN, BLOCK* .. .. .	Revenue ..	Rs. 375 per ton ..	.....	.....	Free	.....
70	BRASS, BRONZE AND SIMILAR ALLOYS, wrought, and manufactures thereof, not otherwise specified.*	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
70(1)	ALL SORTS OF METALS OTHER THAN IRON AND STEEL, AND MANUFACTURES THEREOF, not otherwise specified.* † ‡	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
70(2)	CRUDE ANTIMONY .. .. .	Protective ..	20 per cent. <i>ad valorem</i> .	.....	.....	.....	31-3-1949.
70(3)	ANTIMONY, other than crude antimony ..	Protective ..	30 per cent. <i>ad valorem</i> .	.....	.....	.....	31-3-1949.
71	HARDWARE, IRONMONGERY AND TOOLS, all sorts not otherwise specified, including incandescent mantles but excluding machine tools and agricultural implements.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
	<i>Tariff value—</i> .. .. .	Per gross. Rs. a. p.	1 0 0				
71(1)	THE FOLLOWING HARDWARE, IRONMONGERY AND TOOLS, namely, agricultural implements not otherwise specified, buckets of tinned or galvanized iron, and pruning-knives.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
71(2)	CUTLERY, all sorts not otherwise specified ..	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
71(3)	METAL FURNITURE AND CABINETWARE ..	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
71(4)	PRINTING TYPE .. .. .	Revenue ..	One anna and six pies per lb.	.....	.....	Free	.....
71(5)	THE FOLLOWING PRINTING MATERIALS, namely, leads, brass rules, wooden and metal quoins, shooting sticks and galleys and metal furniture.	Revenue ..	3 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
71(6)	RACKS FOR THE WITHERING OF TEA LEAF †	Revenue ..	3 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
71(7)	HURRICANE LANTERNS .. .. .	Protective ..	30 per cent. <i>ad valorem</i> .	.....	.....	.....	31-3-1949.

\* Under Government of India, Finance Department (Central Revenues), Notification No. 80-C., dated the 4th October, 1941, waste and scrap of base metals when imported from Burma, are exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, radium is exempt from payment of import duty.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 1-Customs, dated the 9th March, 1946, as subsequently amended, lead, unwrought-*ingot*, slab and pig and lead scrap, and copper, unwrought, are exempt from payment of the Customs duty leviable thereon.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, component parts of racks for the withering of tea leaf when proved to have been imported for use in racks for the withering of tea leaf are also liable to duty at 3 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
	<b>SECTION XVI.</b>						
	<b>MACHINERY AND APPARATUS; ELECTRICAL MATERIAL.</b>						
72	MACHINERY, namely, such of the following articles as are not otherwise specified* :—  (a) prime-movers, boilers, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts;  (b) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts;  (c) apparatus and appliances, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose;  (d) control gear, self-acting or otherwise, and transmission-gear designed for use with any machinery above specified, including belting of all materials (other than cotton, hair and canvas ply) and driving chains, but excluding driving ropes not made of cotton;  (e) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not, and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof.  <i>Note.</i> —The term 'industrial system' used in sub-item (c) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.	Revenue	10 per cent. <i>ad valorem</i> .	....	....	Free	....
72(1)	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; dobbie cards; lattices and lags 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 hoods; sewing thread balls making machines; cumuli 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.†	Revenue	10 per cent. <i>ad valorem</i> .	....	....	Free	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, coffee pulpers and component parts thereof are exempt from payment of import duty, provided that nothing shall be deemed to be a component part of a coffee pulper for the purpose of this exemption unless it is essential for the working of such machine and has been given for that purpose some special shape or quality that would not be essential for its use for any other purpose.

† Under Government of India, Finance Department (Central Revenues), Notifications No. 33, dated the 22nd June 1935, as amended subsequently and No. 44, dated the 1st August 1942, the following textile machinery and apparatus and component parts thereof, namely, (1) ground stamping machines, (2) automatic hand repeating machines, (3) pattern cutting machines, (4) cloth analysis machines, (5) hand card punches and (6) automatic weaver knotters are also liable to duty at 10 per cent. *ad valorem*, provided that nothing shall be deemed to be a component part of textile machinery and apparatus for the purpose of this exemption unless it is essential for the working of such machinery and apparatus and has been given for that purpose some special shape or quality that would not be essential for its use for any other purpose. Under the same Notifications jacquard harness linen cordage is liable to duty at 10 per cent. *ad valorem* or 4 annas per lb. whichever is higher and striking combs used in textile machinery at 10 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XVI—<i>contd.</i></b>							
<b>MACHINERY AND APPARATUS; ELECTRICAL MATERIAL—<i>contd.</i></b>							
72(2)	PRINTING AND LITHOGRAPHIC MATERIAL, namely, presses, lithographic plates, composing sticks, chases, imposing tables, lithographic stones, stereo blocks, wood blocks, half-tone blocks, electro-type blocks, process blocks and highly polished copper or zinc sheets specially prepared for making process blocks, roller moulds, roller frames and stocks, roller composition, lithographic nap rollers, standing screw and hot presses, perforating machines, gold blocking presses, galley presses, proof presses, arming presses, copper plate printing presses, rolling presses, ruling machines, ruling pen making machines, lead cutters, rule cutters, slug cutters, type casting machines, type setting and casting machines, paper in rolls with side perforations to be used after further perforation for type-casting, rule bending machines, rule mitring machines, bronzing machines, stereotyping apparatus, paper folding machines, paging machines but excluding ink and paper.*	Revenue ..	10 per cent. <i>ad valorem</i> .	....	....	Free ..	....
72(3)	COMPONENT PARTS OF MACHINERY as defined in Items Nos. 72, 72(1) and 72(2), namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose:  Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.	Revenue ..	10 per cent. <i>ad valorem</i> .	....	....	Free ..	....
72(4)	PASSENGER LIFTS AND COMPONENT PARTS AND ACCESSORIES THEREOF.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
72(5)	DOMESTIC REFRIGERATORS .. .. .	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i> .	....	12 per cent. <i>ad valorem</i> .	....
72(6)	MACHINERY AND COMPONENT PARTS THEREOF, meaning machines or parts of machines to be worked by manual or animal labour, not otherwise specified, and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one quarter of one-horse power.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
72(7)	WATER-LIFTS, SUGAR-MILLS, SUGAR CENTRIFUGES, SUGAR PUG-MILLS, OIL-PRESSES, AND PARTS THEREOF, when constructed so that they can be worked by manual or animal power and pans for boiling sugar-cane juice.	....	Free .. .. .	....	....	....	....
72(8)	THE FOLLOWING AGRICULTURAL IMPLEMENTS, namely, winnowers, threshers, mowing and reaping machines, binding machines, elevators, seed and corn crushers, chaff-cutters, root-cutters, ensilage-cutters, horse and bullock gear, ploughs, cultivators, scarifiers, harrows, clod-crushers, seed-drills, hay-tedders, hay presses, potato-diggers, latex spouts, spraying machines, powder-blowers, white-ant exterminating machines, beet pullers, 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 .. .. .	....	....	....	....

\* Under Government of India, Finance Department (Central Revenues), Notifications No. 89, dated the 22nd June, 1935, as amended subsequently, and No. 44, dated the 1st August, 1942, the following printing machinery and apparatus, namely, composing racks and cases, composing cabinets, die-stamping machines, galley racks, embossing machines, graining machines, furniture cases and racks, line-up and register tables, book sewing machines and cloth stripping machines are liable to duty at 10 per cent. *ad valorem*.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, the following agricultural machines and implements, namely, flame throwers for attachment to spraying machines designed for the extermination of locusts, and latex cups, are exempt from payment of import duty.

## SCHEDULE I—IMPORT TARIFF—contd.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
	<b>SECTION XVI—contd.</b>						
	<b>MACHINERY AND APPARATUS; ELECTRICAL MATERIAL—contd.</b>						
72(9)	THE FOLLOWING DAIRY AND POULTRY FARMING APPLIANCES, namely, cream separators, milking machines, milk sterilizing or pasteurizing plant, milk straining and cooling apparatus, churns, butter dryers, butter workers, milk-bottle fillers and cappers, apparatus specially designed for testing milk and other dairy produce, and incubators; also component parts of these appliances, provided that they can be readily fitted into their proper places in the appliances for which they are imported, and that they cannot ordinarily be used for other than dairy and poultry farming purposes.*	....	Free .. .. .	....	....	....	....
72(10)	KNITTING MACHINES (and parts thereof) to be worked by manual labour or which require for their operation less than one-quarter of one-horse-power.	Preferential revenue.	36 per cent. <i>ad valorem</i>	24 per cent. <i>ad valorem</i> .	....	12 per cent. <i>ad valorem</i> .	....
72(11)	SEWING MACHINES, (and parts thereof) to be worked by manual labour or which require for their operation less than one quarter of one-horse-power—						
	(a) of British manufacture .. .. .	Protective ..	24 per cent. <i>ad valorem</i> .	....	....	....	31-3-1949.
	(b) not of British manufacture .. .. .	Protective ..	36 per cent. <i>ad valorem</i> .	....	....	....	31-3-1949.
73	ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, not otherwise specified, excluding telegraphic and telephonic.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i> .	....	12 per cent. <i>ad valorem</i> .	....
73(1)	THE FOLLOWING ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, namely:—  Electrical Control Gear and Transmission Gear, namely, switches (excluding switch-boards), fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten amperes and at a pressure not exceeding 250 volts; and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which, not being one specially designed as a pilot core, has a sectional area of less than one-eighth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity; and line insulators, including also cleats, connectors, leading-in tubes and the like, of types and sizes such as are ordinarily used in connection with the transmission of power for other than industrial purposes, and the fittings thereof but excluding electrical earthenware and porcelain otherwise specified.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i> .	....	12 per cent. <i>ad valorem</i> .	....
73(2)	THE FOLLOWING ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, namely, telegraphic and telephonic instruments, apparatus and appliances not otherwise specified, flash lights, carbons, condensers, and bell apparatus, and switch-boards designed for use in circuits of less than ten amperes and at a pressure not exceeding 250 volts; also accumulators, batteries and electro-medical apparatus. †‡§	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, (1) dairy appliances, excluding transport containers and articles included in this item, provided they are specially designed as dairy appliances and for use for milking the cow or for any subsequent process carried out in the dairy in connection with milk, cream, butter or cheese and (2) component parts of such dairy appliances, provided they can be readily fitted into their proper places in the appliances for which they are imported and they cannot ordinarily be used for other than dairy purposes are exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, the following wireless apparatus is liable to duty at 3 per cent. *ad valorem*:—

- (i) apparatus for wireless reception [excluding apparatus specially designed for the reception of broadcast wireless and apparatus of the description specified in clause (ii)] and component parts of such apparatus, when imported under cover of (a) a certificate issued by the Director-General of Posts and Telegraphs to the effect that he is satisfied that the apparatus will not be used for the reception of broadcast wireless or (b) a certificate to the same effect issued by the Director-General, All-India Radio, if the apparatus is imported for the All-India Radio, by the Officer Commanding, Aircraft Depot, Royal Air Force (India), if the apparatus is imported by the Royal Air Force, by the following officers, if the apparatus is imported by the Royal Indian Navy, namely—at Bombay, by the Naval Store Officer; at Karachi, by the Sea Transport Officer; and at Calcutta and Madras, by the Agent for Government Consignments concerned, and by the following officers, if imported for the Army, namely—at Karachi, by the Embarkation Supply and Stores Officer, Kiamari; at Bombay, by the Ordnance Officer, Bombay Depot; at Calcutta, by the Embarkation Supply and Stores Officer at that port, and at other ports, by the Agent for Government Consignments concerned;
- (ii) apparatus for wireless reception incorporated in a single unit with transmitting apparatus;
- (iii) wireless transmission apparatus and component parts thereof.

Provided that nothing shall be deemed to be a component part of apparatus for wireless telegraphy or telephony for the purpose of this exemption unless it is essential for the working of such apparatus and has been given for that purpose some special shape or quality that would not be essential for its use for any other purpose.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, telegraphic instruments and apparatus and parts thereof imported for supply from bond for use of a Railway Administration are liable to duty at 18½ per cent. *ad valorem*, provided that, (a) at the time of delivering the bill-of-entry for warehousing a declaration is made thereon by the importer to the effect that the goods have been imported for supply from bond for the use of a Railway Administration; and (ii) a certificate from an Officer of the Railway Administration, duly empowered in that behalf by the Agent, is produced along with the application for clearance out of bond that the goods in the question are not merely guaranteed stock, but will be definitely appropriated for the use of such Railway on clearance from bond.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, carbon blocks such as are ordinarily used for the manufacture of carbon brushes for electrical motors and generators are liable to duty at 18 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XVI—<i>contd.</i></b>							
<b>MACHINERY AND APPARATUS; ELECTRICAL MATERIAL—<i>contd.</i></b>							
73(3)	TELEGRAPHIC INSTRUMENTS AND APPARATUS AND PARTS THEREOF, imported by, or under the orders of, a Railway Administration.	Revenue	18½ per cent. <i>ad valorem</i> .	....	....	Free	....
73(4)	WIRELESS RECEPTION INSTRUMENTS AND APPARATUS AND COMPONENT PARTS THEREOF, including all electric valves, amplifiers and loudspeakers which are not specially designed for purposes other than wireless reception or are not original parts of and imported along with instruments or apparatus so designed.*	Preferential revenue.	60 per cent. <i>ad valorem</i> .	48 per cent. <i>ad valorem</i> .	....	24 per cent. <i>ad valorem</i> .	....
73(5)	ELECTRICAL EARTHENWARE AND PORCELAIN, the following, namely:—					12 per cent. <i>ad valorem</i> .	
	(a) Insulators, Shackle, Sinclair, Cordeaux or Pin-type, not otherwise specified—						
	(i) fitted .. .. .	Revenue	25 per cent. <i>ad valorem</i> or Re. 1-2 per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not fitted .. .. .	Revenue	25 per cent. <i>ad valorem</i> or fourteen annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(b) Two-way cleats .. .. .	Revenue	25 per cent. <i>ad valorem</i> or four annas per gross of pairs, whichever is higher plus one-fifth of the total duty.	....	....		....
	(c) Spacing insulators .. .. .	Revenue	25 per cent. <i>ad valorem</i> or two annas per gross, whichever is higher plus one-fifth of the total duty.	....	....		....
	(d) Ceiling roses—						
	(i) fitted .. .. .	Revenue	25 per cent. <i>ad valorem</i> or ten annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not fitted .. .. .	Revenue	25 per cent. <i>ad valorem</i> or eight annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(e) Joint-box cut-outs—						
	(i) fitted .. .. .	Revenue	25 per cent. <i>ad valorem</i> or eight annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
	(ii) not fitted .. .. .	Revenue	25 per cent. <i>ad valorem</i> or six annas per dozen, whichever is higher plus one-fifth of the total duty.	....	....		....
73(6)	RUBBER-INSULATED COPPER WIRES AND CABLES, no core of which, other than one specially designed as a pilot core, has a sectional area of less than one-eightieth part of a square inch, whether made with any additional insulating or covering material or not.	Revenue	7½ per cent. <i>ad valorem</i> .	....	....	Free	....
<b>SECTION XVII.</b>							
<b>TRANSPORT MATERIAL.</b>							
74	COAL TUBS, TIPPING WAGONS AND THE LIKE CONVEYANCES, designed for use on light rail track, if adapted to be worked by manual or animal labour and if made mainly of iron or steel; and component parts thereof made of iron or steel—					Free	
	(a) of British manufacture .. .. .	Revenue	1½ times the excise duty leviable for the time being on steel ingots produced in British India † or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....		....

\* Under Government of India, Finance Department (Central Revenue), Notification No. 33, dated the 22nd June, 1935, as amended subsequently the following wireless apparatus is liable to duty at 3 per cent. *ad valorem* :—

- (i) apparatus for wireless reception (excluding apparatus specially designed for the reception of broadcast wireless and apparatus of the description specified in clause (ii)) and component parts of such apparatus, when imported under cover of (a) a certificate issued by the Director-General of Posts and Telegraphs to the effect that he is satisfied that the apparatus will not be used for the reception of broadcast wireless or (b) a certificate to the same effect issued by the Director-General, All-India Radio, if the apparatus is imported for the All India Radio, by the Officer Commanding, Aircraft Depot, Royal Air Force (India), if the apparatus is imported by the Royal Air Force, by the following officers, if the apparatus is imported by the Royal Indian Navy, namely—at Bombay, by the Naval Store Officer; at Karachi by the Sea Transport Officer, and at Calcutta and Madras, by the Agent for Government Consignments concerned, and by the following officers, if imported for the Army, namely—at Karachi, by the Embarkation Supply and Stores Officer, Kiamari; at Bombay, by the Ordnance Officer, Bombay Depot; at Calcutta, by the Embarkation Supply and Stores Officer at that port, and at other ports, by the Agent for Government Consignments concerned;
- (ii) apparatus for wireless reception incorporated in a single unit with transmitting apparatus;
- (iii) wireless transmission apparatus and component parts thereof;

Provided that nothing shall be deemed to be a component part of apparatus for wireless telegraphy or telephony for the purpose of this exemption unless it is essential for the working of such apparatus and has been given for that purpose some special shape or quality that would not be essential for its use for any other purpose.

† The rate of excise duty on the 1st January 1947, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
	<b>SECTION XVII—<i>contd.</i></b>						
	<b>TRANSPORT MATERIAL—<i>contd.</i></b>						
	(b) not of British manufacture .. ..	Revenue ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	....	....
74(1)	TRAMCARS AND COMPONENT PARTS AND ACCESSORIES THEREOF.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
74(2)	RAILWAY MATERIALS FOR PERMANENT-WAY AND ROLLING-STOCK, namely, sleepers, other than iron and steel, and fastenings thereof; bearing plates, chairs, interlocking apparatus, brake-gear, shunting skids, couplings and springs, signals, turn-tables, weigh-bridges, carriages, wagons, traversers, rail removers, scooters, trolleys, trucks; also cranes, water-cranes and water-tanks when imported by or under the orders of a railway administration: 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 Central Government may, by notification in the <i>Official Gazette</i> specifically include therein: Provided also that articles of machinery as defined in Item No. 72 or No. 72(9) shall not be deemed to be included hereunder.	Revenue ..	18½ per cent. <i>ad valorem</i> .	....	....	Free ..	....
74(3)	COMPONENT PARTS OF RAILWAY MATERIALS, as defined in Item No. 74(2), namely, such parts only as are essential for the working of railways and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose: 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.	Revenue ..	18½ per cent. <i>ad valorem</i> .	....	....	Free ..	....
75	CONVEYANCES, not otherwise specified, and component parts and accessories thereof; also motor vans and motor lorries imported complete.	Revenue ..	80 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
75(1)	MOTOR CARS INCLUDING TAXI CABS AND ARTICLES (other than rubber tyres and tubes) adapted for use as parts and accessories thereof, provided that such articles as are ordinarily also used for other purposes than as parts and accessories of motor vehicles included in this Item or in Items Nos. 75(2) and 75(3) shall be dutiable at the rate of duty specified for such articles.	Preferential revenue.	45 per cent. <i>ad valorem</i> .	36 per cent. <i>ad valorem</i> .	....	24 per cent. <i>ad valorem</i> .	....
75(2)	MOTOR CYCLES AND MOTOR SCOOTERS AND ARTICLES (other than rubber tyres and tubes) adapted for use as parts and accessories thereof except such articles as are also adapted for use as parts and accessories of motor cars.	Preferential revenue.	45 per cent. <i>ad valorem</i> .	36 per cent. <i>ad valorem</i> .	....	24 per cent. <i>ad valorem</i> .	....
75(3)	MOTOR OMNIBUSES; chassis of motor omnibuses, motor vans and motor lorries; and parts of mechanically propelled vehicles and accessories not otherwise specified, excluding rubber tyres and tubes and such parts and accessories of motor vehicles included in this item as are also adapted for use as parts and accessories of motor cars.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	21 per cent. <i>ad valorem</i> .	....	6 per cent. <i>ad valorem</i> .	....
75(4)	CARRIAGES AND CARTS which are not mechanically propelled, not otherwise specified, and parts and accessories thereof; excluding rubber tyres and tubes.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
75(5)	CYCLES, (other than motor cycles) imported entire or in sections—						
	(a) of British manufacture .. ..	Protective ..	24 per cent. <i>ad valorem</i> .	....	....	....	31-3-1949.
	(b) not of British manufacture .. ..	Protective ..	36 per cent. <i>ad valorem</i> .	....	....	....	31-3-1949.
75(6)	FRAMES, for cycles (other than motor cycles)—						
	(a) of British manufacture .. ..	Protective ..	24 per cent. <i>ad valorem</i> .	....	....	....	31-3-1949.
	(b) not of British manufacture .. ..	Protective ..	36 per cent. <i>ad valorem</i> .	....	....	....	31-3-1949.
75(7)	HANDLEBARS for cycles (other than motor cycles)—						
	(a) of British manufacture .. ..	Protective ..	24 per cent. <i>ad valorem</i> .	....	....	....	31-3-1949.
	(b) not of British manufacture .. ..	Protective ..	36 per cent. <i>ad valorem</i> .	....	....	....	31-3-1949.
75(8)	All other parts and accessories of CYCLES (other than motor cycles) not otherwise specified (excluding rubber tyres and tubes)—						
	(a) of British manufacture .. ..	Protective ..	24 per cent. <i>ad valorem</i> .	....	....	....	31-3-1949.
	(b) not of British manufacture .. ..	Protective ..	36 per cent. <i>ad valorem</i> .	....	....	....	31-3-1949.

\* The rate of excise duty on the 1st January 1947, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XVII—<i>concl'd.</i></b>							
<b>TRANSPORT MATERIAL—<i>concl'd.</i></b>							
76	AEROPLANES, aeroplane parts, aeroplane engines, aeroplane engine parts and rubber tyres and tubes used exclusively for aeroplanes.*	Revenue ..	3 per cent. <i>ad valorem</i> .	....	....	Free ..	..
76(1)	SHIPS AND OTHER VESSELS† FOR INLAND AND HARBOUR NAVIGATION, including steamers, launches, boats and barges imported entire or in sections:  Provided that articles of machinery as defined in Item No. 72 or No. 72(3) shall, when separately imported, not be deemed to be included hereunder.	Revenue ..	18½ per cent. <i>ad valorem</i> .	....	....	Free ..	..
76(2)	LIGHT SHIPS .. .. .	....	Free .. .. .	....	....	....	..
76(3)	FURNITURE TACKLE AND APPAREL, not otherwise described, for steam-sailing, rowing and other vessels.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
<b>SECTION XVIII.</b>							
SCIENTIFIC AND PRECISION INSTRUMENTS AND APPARATUS; WATCH-MAKERS' AND CLOCKMAKERS' WARES; MUSICAL INSTRUMENTS.							
77	INSTRUMENTS, APPARATUS AND APPLIANCES, other than electrical, all sorts not otherwise specified, including photographic.‡	Preferential revenue.	38 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i> .	....	12 per cent. <i>ad valorem</i> .	....
77(1)	INSTRUMENTS, APPARATUS AND APPLIANCES, imported by a passenger as part of his personal baggage and in actual use by him in the exercise of his profession or calling.	....	Free .. .. .	....	....	....	....
77(2)	OPTICAL, SCIENTIFIC, PHILOSOPHICAL AND SURGICAL INSTRUMENTS, APPARATUS AND APPLIANCES.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
77(3)	ARTIFICIAL TEETH .. .. .	Preferential revenue.	30 per cent. <i>ad valorem</i> .	....	18 per cent. <i>ad valorem</i> .	6 per cent. <i>ad valorem</i> .	....
78	CLOCKS AND WATCHES AND PARTS THEREOF ..	Revenue ..	60 per cent. <i>ad valorem</i> .	....	....	24 per cent. <i>ad valorem</i> .	....
79	MUSICAL INSTRUMENTS AND PARTS THEREOF, all sorts and records for talking machines.	Revenue ..	60 per cent. <i>ad valorem</i> .	....	....	24 per cent. <i>ad valorem</i> .	....
<b>SECTION XIX.</b>							
<b>ARMS AND AMMUNITION.</b>							
80	SAVE WHERE OTHERWISE SPECIFIED, all articles which are arms or parts of arms within the meaning of the Indian Arms Act, 1878 (excluding springs used for air guns), all tools used for cleaning or putting together the same, all machines for making, loading, closing or capping cartridges for arms other than rifled arms and all other sorts of ammunition and military stores, and any articles which the Central Government may, by notification in the <i>Official Gazette</i> , declare to be ammunition or military stores for the purposes of this Act.§	Revenue ..	60 per cent. <i>ad valorem</i> .	....	....	24 per cent. <i>ad valorem</i> .	....
80(1)	SUBJECT TO THE EXEMPTIONS specified in Item No. 80(3)—Firearms, including gas and air guns, gas and air rifles and gas and air pistols not otherwise specified, but excluding parts and accessories thereof.‡	Revenue ..	Rs. 18-12 each or 37½ per cent. <i>ad valorem</i> , whichever is higher, plus 12½ per cent. <i>ad valorem</i> plus one-fifth of the total duty.	....	....	24 per cent. <i>ad valorem</i> .	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, (1) aircraft (other than aeroplanes) such as autogyros, airships, and the like; their parts, their engines, and parts of such engines and (2) aircraft materials, such as dope, 3-ply wood, duralumin sheets and fabric which have been given for use as aircraft materials some special shape or quality which would not be essential for their use for any other purpose are liable to duty at 3 per cent. *ad valorem*.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, (a) ocean-going vessels, imported to be broken up, and (b) parts of vessels under repair removed for replacement are liable to duty at 18½ per cent. *ad valorem*, provided that articles contained in any such vessel not forming part of her necessary tackle, apparel or furniture (*e.g.*, pianos, crockery, cutlery) shall be assessed to duty separately under the appropriate items of the Tariff.

‡ Under Government of India, Finance Department (Central Revenues), Notifications No. 33, dated the 22nd June, 1935, and No. 44, dated the 1st August, 1942, photo-litho films are liable to duty at 10 per cent. *ad valorem*.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, arms forming part of military equipment of officers and non-commissioned officers of foreign armies detailed for training at Army Schools of Instruction in India are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XIX—<i>concl'd.</i></b>							
<b>ARMS AND AMMUNITION—<i>concl'd.</i></b>							
80(2)	SUBJECT TO THE EXEMPTIONS specified in Item No. 80(3)—					24 per cent. <i>ad valorem.</i>	
	(a) Barrels, whether single or double, for firearms, including gas and air guns, gas and air rifles, and gas and air pistols, not otherwise specified.	Revenue ..	Rs. 18-12 each.	} or 37½ per cent. <i>ad valorem</i> , whichever is higher, plus 12½ per cent. <i>ad valorem</i> plus one-fifth of the total duty.	....	....	....
	(b) Main springs and magazine springs for firearms, including gas guns, gas rifles and gas pistols.	Revenue ..	Rs. 6-4 each.		....	....	....
	(c) Gun stocks and breech blocks .. ..	Revenue ..	Rs. 3-12 each.		....	....	....
	(d) Revolver cylinders, for each cartridge they will carry.	Revenue ..	Rs. 2-8 each.		....	....	....
	(e) Actions (including skeleton and waster), breech bolts and their heads, cocking pieces, and locks for muzzle loading arms.	Revenue ..	Rs. 1-4 each.		....	....	....
	(f) Machines for making, loading, or closing cartridges for rifled arms.	Revenue ..	60 per cent. <i>ad valorem.</i>		....	....	....
	(g) Machines for capping cartridges for rifled arms.	Revenue ..	60 per cent. <i>ad valorem.</i>		....	....	....
80(8)	THE FOLLOWING ARMS, AMMUNITIONS AND MILITARY STORES:—	....	Free .. ..	....	....	....	....
	(a) Arms forming part of the regular equipment of a commissioned or gazetted officer in His Majesty's Service entitled to wear diplomatic, military, naval, Royal Air Force or police uniform.						
	(b) A revolver and an automatic pistol and ammunition for such revolver and pistol up to a maximum of 100 rounds per revolver or pistol, (i) when accompanying a commissioned officer of His Majesty's regular forces, or of the Indian Auxillary Force or the Indian Territorial Force or a gazetted police officer, or (ii) certified by the commandant of the corps to which such officer belongs, or, in the case of an officer not attached to any corps, by the officer commanding the station or district in which such officer is serving or, in the case of a police officer, by an Inspector-General or Commissioner of Police, to be imported by the officer for the purpose of his equipment.						
	(c) Swords for presentation as army or volunteer prizes.						
	(d) Arms, ammunition and military stores imported with the sanction of the Central Government for the use of any portion of the military forces of a State in India being a unit notified in pursuance of the First Schedule to the Indian Extradition Act, 1903.						
	(e) Morris tubes and patent ammunition imported by officers commanding British and Indian regiments or volunteer corps for the instruction of their men.*						
80(4)	ORNAMENTAL ARMS OF AN OBSOLETE PATTERN possessing only an antiquarian value; masonic and theatrical and fancy dress swords, provided they are virtually useless for offensive or defensive purposes; and dabs intended exclusively for domestic, agricultural and industrial purposes.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
81	CARTRIDGE CASES, filled and empty .. ..	Revenue ..	60 per cent. <i>ad valorem.</i>	....	....	24 per cent. <i>ad valorem.</i>	....
<b>SECTION XX</b>							
<b>MISCELLANEOUS GOODS AND PRODUCTS NOT ELSEWHERE INCLUDED.</b>							
82	CORAL, prepared .. .. .	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
82(1)	IVORY, manufactured, not otherwise specified..	Revenue ..	60 per cent. <i>ad valorem.</i>	....	....	24 per cent. <i>ad valorem.</i>	....
82(2)	BANGLES AND BEADS, not otherwise specified..	Revenue ..	60 per cent. <i>ad valorem.</i>	....	....	24 per cent. <i>ad valorem.</i>	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, .22 inch Adapters, aim teachers and aperture sights for service rifles imported by officers commanding a unit of the Army in India for the instruction of their men are also exempt from payment of import duty.



SCHEDULE I—IMPORT TARIFF—*concl'd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XX—<i>concl'd.</i></b>							
<b>MISCELLANEOUS GOODS AND PRODUCTS NOT ELSEWHERE INCLUDED—<i>concl'd.</i></b>							
83	BRUSHES, all sorts	Revenue	30 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	
84	TOYS, games, playing cards and requisites for games and sports, bird shot, toy cannons, air guns and air pistols for the time being excluded in any part of British India from the operation of all the prohibitions and directions contained in the Indian Arms Act, 1878, and bows and arrows.	Revenue	60 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	
85	BUTTONS, metal	Revenue	30 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	
85(1)	SMOKERS' REQUISITES, excluding tobacco and matches:  Provided that mechanical lighters as defined in the Mechanical Lighters (Excise Duty) Act, 1934, shall be liable in addition to a duty equal to the amount of the excise duty imposed by that Act, on mechanical lighters manufactured in British India.*	Revenue	60 per cent. <i>ad valorem.</i>			Mechanical lighters— 20 per cent. <i>ad valorem</i> plus the amount of the excise duty on mechanical lighters manufactured in British India* plus one-fifth of the total duty; all others— 24 per cent. <i>ad valorem.</i>	
<b>SECTION XXI.</b>							
<b>WORKS OF ART AND ARTICLES FOR COLLECTIONS.</b>							
86	PRINTS, ENGRAVINGS AND PICTURES (including photographs and picture post cards), not otherwise specified.†	Revenue	60 per cent. <i>ad valorem.</i>				
86(1)	ART, works of, not otherwise specified	Revenue	30 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	
86(2)	ART, the following works of:—(1) statuary and pictures intended to be put up for the public benefit in a public place, and (2) memorials of a public character intended to be put up in a public place, including the materials used, or to be used in their construction, whether worked or not.		Free				
86(3)	SPECIMENS, MODELS AND WALL DIAGRAMS, illustrative of natural science, and medals and antique coins.†		Free				
86(4)	POSTAGE STAMPS, whether used or unused		Free				
<b>SECTION XXII.</b>							
<b>ARTICLES NOT OTHERWISE SPECIFIED.</b>							
87	ALL OTHER ARTICLES not otherwise specified, including articles imported by post.‡§¶	Revenue	30 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	

\* The reference to the Mechanical Lighters (Excise Duty) Act, 1934, must, by virtue of section 8 of the General Clauses Act, 1897, be read as a reference to the corresponding provision of the Central Excises and Salt Act, 1944. The rate of excise duty under the latter Act is Rs. 3 per lighter. By virtue of section 6 of the Indian Finance Act, 1942, the amount of duty (*viz.*, 50 per cent. *ad valorem* as standard rate plus Rs. 3 per lighter under the above proviso) is to be increased by one-fifth and thus stands at 60 per cent. *ad valorem* as standard rate (as shown) plus Rs. 3½ per lighter under the proviso.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, wall pictures and diagrams such as are ordinarily used for instructional purposes are exempt from payment of import duty.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, unmanufactured mica and wreaths imported for being placed on graves are exempt from payment of import duty and stereo-fong is liable to duty at 10 per cent. *ad valorem*.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 2-Customs, dated the 24th February, 1945, holite and cellulose acetate sheets are exempt from so much of the duty as is in excess of the duty leviable on printing and lithographic material.

¶ Under Government of India, Finance Department (Central Revenues), Notification No. 25-Customs, dated the 15th December, 1945, charcoa imported by sea into British India from the Las Bela State is exempt from the payment of the customs duty leviable thereon.

¶ Under Government of India, Finance Department (Central Revenues), Notification No. 1-Customs, dated the 9th March, 1946, celluloid, raw, for the manufacture of dressing combs; asbestos, raw, including fibre; Bristles for brush making, Dumnuts for the manufacture of buttons and Carbon black for the manufacture of printing ink and black paint are exempt from the payment of the customs duty leviable thereon. Under this Notification, as amended subsequently by Government of India, Finance Department (Revenue Division), Notification No. 15-Customs, dated the 15th October, 1946, raw materials and component parts, other than glass bulbs, required for the manufacture of electric lamps, such as (i) Lamp caps, (ii) Filament wires, (iii) Leading-in-wires, (iv) Molybdenum wires and rods, (v) Glass tubings and rods, (vi) Mineral wires made of steel or any other suitable material, (vii) Forming gas, (viii) Nitrogen gas, (ix) Rare gases like Argon, Aron and Krypton, (x) Bakelite capping or basing cement, (xi) Stamping paste and acid, (xii) Phosphorus Pentoxide, and (xiii) Red Phosphorus are also exempt from the payment of the customs duty leviable thereon.

Note:—As these articles fall under more than one tariff items, they have, for the sake of convenience, been shown together under this item.

## SCHEDULE II—EXPORT TARIFFS

No.	Names of articles.	Per	Rate of duty.
<b>JUTE, OTHER THAN BIMLIPATAM JUTE.</b>			Rs. a.
1	<b>RAW JUTE—</b>		
	(1) Cuttings .. .. .	Bale of 400 lbs. .. .. .	4 8
	(2) All other descriptions .. .. .	Bale of 400 lbs. .. .. .	15 0
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. .. .. .	50 0
	(2) Hessians and all other descriptions of Jute Manufactures not otherwise specified.†	Ton of 2,240 lbs. .. .. .	80 0
<b>COTTON.</b>			
13	Raw Cotton .. .. .	Bale of 400 lbs. .. .. .	20 0
<b>RICE.</b>			
4	Rice, Husked or Unhusked, including rice flour but excluding rice bran and rice dust, which are free.	Indian maund of 82-2/7 lbs. avoirdupois weight.	Two annas and three pies.
5	Tea .. .. .	lb.	For annas.

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, bagging for raw cotton made from cadis rove or from rove containing, in addition to cadis or other material not subject to export duty, not more than 15 per cent. jute weighing not less than 1½ lbs. per square yard and having a total of not more than 140 single or double warp and weft threads per square yard, is exempt from payment of export duty and bagging for raw cotton made from jute rove (excluding bagging specified above as exempt from payment of export duty), weighing not less than .75 lb. per square yard, and having not more than 360 warp and weft threads per square yard, is liable to export duty at Rs. 5-8 per ton.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, 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.

‡ This rate of export duty has been fixed under Government of India, Department of Commerce, Notification No. 341-T(1)/46—Tariffs, dated the 26th October, 1946, in exercise of the powers, conferred by section 2 of the Indian Tariff Act (Second Amendment Ordinance, 1946) (Ordinance No. XXVII of 1946), read with section 2 (1) of the Indian Tariff Act, 1934.

**EXCISE DUTIES LEVIABLE ON CERTAIN ARTICLES PRODUCED OR MANUFACTURED IN BRITISH INDIA.**

Item No.	Description of Goods.	Rate of Duty.
1	<b>KEROSENE</b> — "Kerosene" means any inflammable hydrocarbon (including any mixture of hydrocarbons or any liquid containing hydrocarbons but excluding motor spirit) which— (i) is made from petroleum as defined in section 2 of the Indian Petroleum Act, 1934 (XXX of 1934), and (ii) is intended to be or is ordinarily used in liquid form for purposes of illumination.	The rate at which Customs duty is for the time being leviable under the Indian Tariff Act, 1934 (XXXII of 1934), read with any other enactment for the time being in force.
2	<b>MATCHES</b> — "Match" includes a firework in the form of a match; and where a match-stick has more heads than one capable of being ignited by striking, each such head shall be deemed to be a match.  (1) Matches, manufactured in a factory whose daily output exceeds one hundred gross of boxes, in boxes or booklets containing on an average—* (i) not more than forty matches (ii) more than forty, but not more than fifty matches (iii) more than fifty, but not more than sixty matches (iv) more than sixty, but not more than eighty matches  (2) Matches, manufactured in a factory whose daily output does not exceed one hundred gross of boxes, in boxes or booklets containing on an average—* (i) not more than forty matches (ii) more than forty, but not more than fifty matches (iii) more than fifty, but not more than sixty matches (iv) more than sixty, but not more than eighty matches  (3) Matches in boxes containing on an average not more than 12 matches of the type known as "Bengal Lights."†  (4) All other matches* . . . . .	Rs. 2-0-0 per gross of boxes or booklets. Rs. 2-8-0 per gross of boxes or booklets. Rs. 3-0-0 per gross of boxes or booklets. Rs. 4-0-0 per gross of boxes or booklets.  Rs. 1-15-2 per gross of boxes or booklets. Rs. 2-7-0 per gross of boxes or booklets. Rs. 2-14-9 per gross of boxes or booklets. Rs. 3-14-4 per gross of boxes or booklets.  10 annas per gross of boxes.  8 annas for every 1,440 matches or fraction thereof.
3	<b>MECHANICAL LIGHTERS</b> — "Mechanical Lighter" means any mechanical or chemical contrivance for causing ignition which is portable and which operates by producing a spark or flame whether by itself or when brought into contact with gas, and includes a mechanical lighter issued from a factory in an incomplete state or requiring for its completion the addition of a flint.	Rs. 3-0-0 per lighter.
4	<b>MOTOR SPIRIT</b> — "Motor Spirit" means— (a) any inflammable hydrocarbon (including any mixture of hydrocarbons or any liquid containing hydrocarbons) which is capable of being used for providing reasonably efficient motive power for any form of motor vehicle; and (b) power alcohol, that is, ethyl alcohol of any grade (including such alcohol when denatured or otherwise treated), which either by itself or in admixture with any such hydrocarbon, is capable of being used as aforesaid . . . . .	12 annas per Imperial gallon.
5	<b>SALT</b> — "Salt" includes swamp salt, spontaneous salt, and salt or saline solutions made or produced from any saline substance or from salt earth.	Nil.
6	<b>SILVER</b> . . . . . <b>STEEL INGOTS</b> . . . . .	8 annas and 7½ pies per ounce Troy. Rs. 4-0-0 per ton.
7	<b>SUGAR PRODUCED IN A FACTORY ORDINARILY USING POWER IN THE COURSE OF PRODUCTION OF SUGAR</b> — "Sugar" means any form of sugar containing more than ninety per cent. of sucrose— (1) Sugar other than Khandsari or Palmyra . . . . . (2) Khandsari sugar— that is to say, sugar in the manufacture of which neither a vacuum pan nor a vacuum evaporator is employed. (3) Palmyra sugar— that is to say, sugar manufactured from jaggery obtained by boiling the juice of the palmyra palm.	Rs. 3-0-0 per cwt.  8 annas per cwt.
8	<b>TOBACCO</b> ††— "Tobacco" means any form of tobacco, whether cured or uncured, and whether manufactured or not, and includes the leaf, stalks and stems of the tobacco plant but does not include any part of a tobacco plant while still attached to the earth.	Nil.

\* Under Government of India, Finance Department (Revenue Division), Notifications Nos. 4-Central Excises and 5-Central Excises dated the 11th and 13th May, 1946, respectively, matches of the description specified below are exempt, with effect from the 1st August, 1946, from so much of the excise duty leviable thereon as is in excess of the duty calculated at the rates specified below:—

- I. Matches manufactured in a factory whose daily output exceeds one hundred gross of containers:—
  - (i) if in containers containing on an average fifty matches . . . . . Rs. 1-12-0 per gross of containers;—
  - (ii) if not in containers as aforesaid . . . . . Rs. 0-8-0 for every 1,440 matches or part thereof.
- II. Matches manufactured in a factory whose daily output does not exceed one hundred gross of containers:—
  - (i) if in containers containing on an average fifty matches . . . . . Re. 1-11-3 per gross of containers.
  - (ii) if not in containers as aforesaid . . . . . Re. 0-7-9 for every 1,440 matches or part thereof.

† Under Government of India, Finance Department (Central Revenues), Notification No. 6-Camp-Central Excise, dated the 7th April, 1945, matches of the type known as "Bengal Lights" when manufactured in a factory whose daily output does not exceed 100 gross of boxes are exempt from duty payable on them to the extent of 10 pies per gross of boxes.

†† Under Government of India, Finance Department (Central Revenues), Notification No. 7-Camp-Central Excise, dated the 7th April, 1945, flue-cured *gulla* tobacco and the stems of flue-cured tobacco are exempt from so much of the duty leviable thereon as is in excess of the duty leviable on tobacco other than flue-cured tobacco which is intended for manufacture into cigarettes provided that the Collector is satisfied that such flue-cured *gulla* tobacco or such stems of flue-cured tobacco are intended for manufacture into cigarettes containing no other flue-cured tobacco.

‡ Under the Government of India, Finance Department (Central Revenues), Notification No. 3-Central Excises, dated the 17th June, 1944, tobacco powder prepared from stalks and stems and other refuse is exempt from the excise duty leviable under the Central Excises and Salt Act, 1944, provided that the Collector is satisfied that such tobacco powder is intended for use as an insecticide.

§ Under the Government of India, Finance Department (Central Revenues), Notification No. 4-Central Excises, dated the 1st July 1944, tobacco which is proved to the satisfaction of the Collector to be intended for the manufacture of Nicotine Sulphate is exempt from duty

**EXCISE DUTIES LEVIABLE ON CERTAIN ARTICLES PRODUCED OR MANUFACTURED IN BRITISH INDIA—contd.**

Item No.	Description of Goods.	Rate of Duty.																																																
	<b>I. Unmanufactured tobacco—</b>																																																	
	(1) If flue-cured and intended for—																																																	
	(a) manufacture into cigarettes containing—																																																	
	(i) more than 60 per cent. weight of imported tobacco.	Rs. 7-8-0 per lb.																																																
	(ii) more than 40 per cent. but not more than 60 per cent. weight of imported tobacco.	Rs. 5-0-0 per lb.																																																
	(iii) more than 20 per cent. but not more than 40 per cent. weight of imported tobacco.	Rs. 3-8-0 per lb.																																																
	(iv) 20 per cent. or less than 20 per cent. weight of imported tobacco.	Rs. 2-8-0 per lb.																																																
	(v) no imported tobacco	Re. 1-0-0 per lb.																																																
	(b) any purpose other than the manufacture of cigarettes or of the products enumerated in (3) (a) and (3) (b).	Rs. 7-8-0 per lb.																																																
	(2) if other than flue-cured and intended for—																																																	
	(a) manufactured into cigarettes	9 annas* per lb.																																																
	(b) any purpose other than the manufacture of cigarettes or of the products enumerated in (3) (a) and (3) (b).	9 annas per lb.																																																
	(3) whether flue-cured or not, if intended for—																																																	
	(a) manufacture into—																																																	
	(i) biris	9 annas per lb.																																																
	(ii) snuff	9 annas per lb.																																																
	(iii) cigars and cheroots	3 annas per lb.																																																
	(iv) hookah tobacco	3 annas per lb.																																																
	(b) sale as chewing tobacco, whether manufactured or merely cured.	3 annas per lb.																																																
	(c) agricultural purposes	Nil.																																																
	(4) Stalks and other refuse of tobacco intended for use in the preparation of any form of manufactured tobacco.	1 anna per lb.																																																
	<b>II. Manufactured tobacco—</b>																																																	
	Cigars and cheroots of which the value—																																																	
	(i) exceeds Rs. 30 a hundred	Rs. 12-0-0 per hundred.																																																
	(ii) exceeds Rs. 25 a hundred but does not exceed Rs. 30 a hundred.	Rs. 10-0-0 per hundred.																																																
	(iii) exceeds Rs. 20 a hundred but does not exceed Rs. 25 a hundred.	Rs. 8-0-0 per hundred.																																																
	(iv) exceeds Rs. 15 a hundred but does not exceed Rs. 20 a hundred.	Rs. 6-0-0 per hundred.																																																
	(v) exceeds Rs. 10 a hundred but does not exceed Rs. 15 a hundred.	Rs. 4-0-0 per hundred.																																																
	(vi) exceeds Rs. 5 a hundred but does not exceed Rs. 10 a hundred.	Rs. 2-0-0 per hundred.																																																
	(vii) exceeds Rs. 2-8 a hundred but does not exceed Rs. 5 a hundred.	Re. 1-0-0 per hundred.																																																
	(viii) exceeds Rs. 1-4 a hundred but does not exceed Rs. 2-8 a hundred.	8 annas per hundred.																																																
	(ix) exceeds annas 12 a hundred but does not exceed Rs. 1-4 a hundred.	4 annas per hundred.																																																
10	<b>Tyres*—</b> "Tyre" means a pneumatic tyre in the manufacture of which rubber is used and includes the inner tube and the outer cover of such a tyre.  <b>Tariff values—</b> <b>Aero—Tyres†—</b>	10 per cent. <i>ad valorem</i> .																																																
	<table border="1"> <thead> <tr> <th align="left">Sizes.</th> <th align="left">Covers. Rs. a. p.</th> <th align="left">Tubes. Rs. a. p.</th> </tr> </thead> <tbody> <tr> <td>27" .. .. .</td> <td>84 9 0</td> <td>11 9 0</td> </tr> <tr> <td>36" .. .. .</td> <td>163 12 0</td> <td>14 1 0</td> </tr> <tr> <td>47" .. .. .</td> <td>367 11 0</td> <td>33 9 0</td> </tr> <tr> <td>56" .. .. .</td> <td>639 9 0</td> <td>Nil</td> </tr> <tr> <td>10.00 .. .. .</td> <td>19 13 0</td> <td>5 12 0</td> </tr> <tr> <td>12.00 .. .. .</td> <td>26 4 0</td> <td>6 6 0</td> </tr> <tr> <td>14.50 .. .. .</td> <td>40 8 0</td> <td>7 3 0</td> </tr> <tr> <td>17.00 .. .. .</td> <td>50 14 0</td> <td>7 15 0</td> </tr> <tr> <td>9.00—8 .. .. .</td> <td>35 14 0</td> <td>12 13 0</td> </tr> <tr> <td>10.00—7 .. .. .</td> <td>185 4 0</td> <td>11 2 0</td> </tr> <tr> <td>17.00—16 .. .. .</td> <td>333 11 0</td> <td>70 8 0</td> </tr> <tr> <td>19.00—23 .. .. .</td> <td>649 14 0</td> <td>Nil</td> </tr> <tr> <td>12½ × 4½ .. .. .</td> <td>32 12 0</td> <td>3 8 0</td> </tr> <tr> <td>14½ × 5 .. .. .</td> <td>59 8 0</td> <td>Nil</td> </tr> <tr> <td>34 × 9 .. .. .</td> <td>149 10 0</td> <td>13 6 0</td> </tr> </tbody> </table>	Sizes.	Covers. Rs. a. p.	Tubes. Rs. a. p.	27" .. .. .	84 9 0	11 9 0	36" .. .. .	163 12 0	14 1 0	47" .. .. .	367 11 0	33 9 0	56" .. .. .	639 9 0	Nil	10.00 .. .. .	19 13 0	5 12 0	12.00 .. .. .	26 4 0	6 6 0	14.50 .. .. .	40 8 0	7 3 0	17.00 .. .. .	50 14 0	7 15 0	9.00—8 .. .. .	35 14 0	12 13 0	10.00—7 .. .. .	185 4 0	11 2 0	17.00—16 .. .. .	333 11 0	70 8 0	19.00—23 .. .. .	649 14 0	Nil	12½ × 4½ .. .. .	32 12 0	3 8 0	14½ × 5 .. .. .	59 8 0	Nil	34 × 9 .. .. .	149 10 0	13 6 0	
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11	<b>VEGETABLE PRODUCT‡—</b> "Vegetable Product" means any vegetable oil or fat which, whether by itself or in admixture with any other substance, has by hydrogenation or by any other process been hardened for human consumption.	Rs. 5-0-0 per cwt.																																																

\* Under the Government of India, Finance Department (Central Revenues), Notification No. 16-Central Excises, dated the 1st April, 1941, tyres specially designed for use on animal drawn vehicles are exempt from payment of this duty.

† These tariff-values on aero-tyres have been fixed under the Government of India, Finance Department (Revenue Division), Notification No. 8-Central Excises, dated the 27th July, 1946, in exercise of the powers, conferred by sub-section (2) of section 3 of the Central Excises and Salt Act, 1944 (I of 1944).

‡ Under the Government of India, Finance Department (Central Revenues), Notification No. 4-Central Excises, dated the 1st April, 1943, vegetable product known as "Margarine" is exempt from payment of this duty.

**EXCISE DUTIES LEVIABLE ON CERTAIN ARTICLES PRODUCED OR MANUFACTURED IN BRITISH INDIA—concl'd.**

Item No.	Description of Goods.	Rate of Duty.
12	<b>BETEL-NUTS, CURED*</b> "Betel-nut" means the fruit of the areca-palm (areca catechu), whether with or without husk, whether cured or uncured, but does not include the fruit while still attached to the tree.	1 anna per lb.
13	<b>COFFEE, cured†—</b> "Coffee" means the seed of the coffee tree (coffea), whether with or without husk, whether cured or uncured, but does not include the seed while still attached to the tree.  <i>N.B.</i> —In addition a duty of excise at the rate of one rupee per cwt. is leviable under the Coffee Market Expansion Act, 1942, on all coffee (except coffee sold and delivered before the estate became subject to the provisions of the Act)— (i) which a registered estate is permitted by the internal sale quota allotted to it, to sell in the Indian market, whether such coffee is actually sold or not, and (ii) which is released for sale in India by the Indian Coffee Board from the surplus pool.  (The Coffee Market Expansion Act, 1942, shall cease to be in force at the end of the twelve months commencing on the first day of July subsequent to the termination of the present hostilities.)	2 annas per lb.
14	<b>TEA ‡</b> "Tea" means the commodity known as tea made from the leaves of the plant <i>Camellia Thea</i> (Linn.) and includes green tea.	2 annas per lb.
15	<b>COAL AND COKE—</b> (i) Coal and Soft Coke .. .. . (ii) Hard Coke .. .. .  <i>N.B.</i> —1. In addition with effect from the 14th June, 1947, an excise duty at the rate of six annas per ton is leviable under the Coal Mines Labour Welfare Fund Act, 1947, on all coal and coke despatched from collieries in British India.  2. Further, an excise duty at the rate of 2½ pies per ton, fixed under Government of India Department of Labour, Notification No. M.955, dated the 14th April, 1943, in pursuance of Rule 19, of the Coal Mines Rescue Rules, 1939, is leviable on all coal and coke despatched by rail from collieries or coke plants situated in the areas known as Jharia and Raniganj Coalfields, and also at the rate of 2 annas per ton is leviable, under section 3 (1) of the Indian Soft Coke Cess Act, 1929, on all soft coke despatched by rail from collieries in the provinces of Bengal, Bihar and Orissa.	3 annas per ton. 4½ annas per ton.
16	<b>COPRA §</b> .. .. .	4 annas per cwt. avoird.
17	Oils extracted from oilseeds crushed in any mill in British India    .. .. .  <i>N.B.</i> —The term 'Oilseeds' does not include 'copcounts.'	1 anna per maund.
18	Goods specified in item 40 of List 11 of the 7th Schedule to the Government of India Act, 1935, viz. :— (a) Alcoholic liquors for human consumption ; (b) Opium, Indian hemp and other narcotic drugs and narcotics ; non-narcotic drugs ; (c) Medicinal and toilet preparations containing alcohol or any substances included in (b) above.	Rates vary in different provinces.

\* Under the Government of India, Finance Department (Central Revenues), Notification No. 13-Central Excises, dated the 7th October 1944, betel-nuts which are proved to the satisfaction of the Collector of Central Excise to be intended for being used as seeds are exempt from the payment of this duty.

† Under the Government of India, Finance Department (Central Revenues), Notification No. 2-Central Excises, dated the 3rd June, 1944, Coffee seeds which are proved to the satisfaction of the Collector of Central Excise to be intended for the purpose of sowing are exempt from the payment of this duty.

‡ Under the Government of India, Finance Department (Central Revenues), Notification No. 7-Central Excises, dated the 19th August 1944, tea waste which is proved to the satisfaction of the Collector to be intended for the manufacture of caffeine, is exempt from duty.

§ Under Government of India, Department of Education, Health and Lands (Agriculture), Notification No. F43-4/45-A dated the 25th May, 1945, and in exercise of the powers conferred by section 3 of the Indian Coconut Committee Act, 1944 (X of 1944), the duty is levied, with effect from the 1st June, 1945, on all copra consumed in any mill in British India, when produced in British India.

|| This duty was imposed from the 18th April 1946, under the Indian Oilseeds Committee Act 1946.

## CESSES LEVIABLE ON CERTAIN ARTICLES ON EXPORT OR OTHERWISE

No	Name of Article.	Cess leviable
*1	TEA .. .. .	Re. 1-0 per 100 lbs.
†2	JUTE—	
	(a) Raw including Jute cuttings and rejections .. ..	Two annas per bale of 400 lbs.
	(b) Manufactured Jute .. .. .	Twelve annas per ton of 2,240 lbs.
‡3	COTTON (ginned)—	
	(a) Baled .. .. .	Two annas per standard bale of 400 lbs.
	(b) Unbaled .. .. .	Six pies per 100 lbs.
§4	LAC—	
	(a) Any form of manufactured or unmanufactured lac ..	Seven annas per maund.
	(b) Refuse lac .. .. .	Five annas per maund.
¶5	COFFEE .. .. .	Re. 1 per cwt.
		Tariff value Per cwt. Rs. a. p.
6 (1)	BONES—	
	Bones, broken or crushed (including bone grist but excluding bone-meal or bone-manure) ..	6 4 0 Per lb.
(3)	BUTTER .. .. .	2 0 0
(4)	CEREALS, OTHER THAN RICE AND WHEAT—	Per cwt.
	Bajri .. .. .	11 0 0
	Barley .. .. .	10 0 0
	Jowar .. .. .	11 0 0
	Maize .. .. .	10 8 0
(6)	FIBRE—	
	For brushes, all kinds .. .. .	40 0 0
(7)	FISH—	
	FISH (excluding canned fish)—	
	(i) Fish, dry, salted .. .. .	36 0 0
	(ii) Prawns, dry .. .. .	80 0 0
(8)	FRUITS—	
	Almonds in the shell .. .. .	80 0 0
	Almonds without shell .. .. .	210 0 0
	Cashew kernels .. .. .	130 0 0
	Coconuts .. .. .	Per Thousand 110 0 0
	Raisins, all kinds .. .. .	Per cwt. 60 0 0
	Tamarind .. .. .	22 0 0
	Walnut in the shell .. .. .	60 0 0
	Walnut kernel .. .. .	100 0 0 Per Indian md.
(9)	GHEE .. .. .	175 0 0
	Ghee substitute, including vegetable ghee and hydrogenated edible oil and fat mixtures ..	cwt. 70 0 0
(10)	HIDES, raw—	
	Buffalo hides (excluding calf skins)—	Per lb.
	(i) Arsenicated .. .. .	0 12 0
	(ii) Salted .. .. .	0 10 0
	Cow HIDES (excluding calf skins)—	
	(i) Arsenicated .. .. .	1 0 0
	(ii) Salted .. .. .	0 14 0

\* The cess is levied on all tea exported from any Customs port to any port beyond the limits of British India. Under the Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as subsequently amended, tea exported to any place in the Janjira State or exported from any Customs port to any port in Kathiawar and tea exported by post is exempt from payment of this duty.

† The cess is levied on all jute exported by sea from the port of Calcutta to any other port whether beyond or within India and from the port of Chittagong to any other port beyond or within India (except raw jute exported to Calcutta).

‡ The cess is levied on all cotton produced in India and (a) consumed in any mill in British India, or (b) exported from any Customs port to any port outside British India, or (c) exported by land to the French and Portuguese territories of Pondicherry, Karikal, Goa and Daman. The cess is not, however, leviable on cotton waste, kapok and cotton fly. Under the Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as subsequently amended, cotton exported from any Customs port to any port in Kathiawar and linters are exempt from payment of this duty.

§ The cess is levied on all lac and refuse lac produced in India and exported from any Customs port to any port beyond the limits of British India. Under the Government of India, Finance Department (Central Revenues), Notification No. 38, dated the 22nd June, 1935, as subsequently amended, lac and refuse lac exported from any Customs port to any port in Kathiawar are exempt from payment of these duties.

¶ The cess is levied on all coffee taken by sea or by land to any place beyond the limits of British India. Under the Government of India, Finance Department (Central Revenues), Notification No. 35, dated the 22nd June, 1935, as subsequently amended, coffee taken by sea or by land to any place in the Travancore, Cochin or Cochin States or by land to any place in the Mysore State, or exported from any Customs port to any port in Kathiawar is exempt from payment of this duty.

**CESSES LEVIABLE ON CERTAIN ARTICLES ON EXPORT OR OTHERWISE—concl'd**

No.	Name of Article.	Tariff value Per cwt. Rs. a. p.	Cess leviable.
6 (11)	MANURES—		
	Manures of animal origin, all kinds (excluding bone meal or bone manure) .. . . .	5 4 0	
	Bone meal or bone manure .. . . .	5 0 0	
(12)	OILCAKES—	Per ton.	
	Groundnut oilcakes .. . . .	60 0 0	
	Groundnut oilcake meal .. . . .	65 0 0	
	Linseed oilcakes .. . . .	80 0 0	
	Oilcakes, other kinds .. . . .	90 0 0	
(13)	PULSES—	Per cwt.	
	Dal, all kinds .. . . .	22 0 0	
	Pulses, all kinds .. . . .	18 0 0	
(14)	SEEDS—		
	Ajwan .. . . .	26 0 0	
	Aniseed .. . . .	30 0 0	
	Castor seed .. . . .	21 0 0	
	Celery seed .. . . .	45 0 0	
	Coriander seed .. . . .	40 0 0	
	Cotton seed .. . . .	10 0 0	
	Fennel seed .. . . .	45 0 0	
	Fenugreek seed .. . . .	18 0 0	
	Groundnuts, decorticated .. . . .	20 0 0	
	Linseed .. . . .	20 0 0	
	Mustard and rape seeds .. . . .	25 0 0	
	Niger seed .. . . .	23 0 0	
	Sawa (Dill) seed .. . . .	24 0 0	
	Til (Sesamum) .. . . .	35 0 0	
(15)	SKINS, raw—		
	Goat skins (excluding kid skins) .. . . .	Per piece. 1 14 0	
	Sheep skins (excluding lamb skins) .. . . .	2	
(16)	SPICES—		
	Chillies, dry .. . . .	Per cwt. 60 0 0	
	Ginger, dry .. . . .	55 0 0	
	Pepper, black .. . . .	70 0 0	
	Turmeric .. . . .	30 0 0	
(17)	TOBACCO, (unmanufactured—		
	Flue cured .. . . .	Per lb. 1 4 0	
	Non-flue cured .. . . .	0 12 0	
	Chewing, bidi, Cheroot and cigar tobacco .. . . .	0 11 0	
(18)	VEGETABLES—		
	Garlic .. . . .	Per cwt. 25 0 0	
	Onions .. . . .	8 0 0	
	Potatoes .. . . .	16 0 0	
(19)	WHEAT, all kinds .. . . .	13 0 0	
(20)	WHEAT FLOUR—		
	Wheat atta .. . . .	15 0 0	
	Wheat flour and suji .. . . .	17 0 0	
7	Cloth and yarn of any description manufactured either wholly from cotton, or partly from cotton and partly from any other substance, and containing not less than 10 per cent. of cotton by weight.* †		3 per cent. of the maximum ex-factory price for the time being fixed for the particular description of cloth or yarn or where no maximum ex-factory price has been so fixed at the rate of 3 per cent. of the value of the cloth or yarn as declared in the shipping bill.
8	Mica in whatever state‡ .. . . .		2½ per cent. ad valorem.

\* This duty was imposed from the 1st October, 1944, under the Cotton Textiles Fund Ordinance, 1944 (Central Ordinance No. XXXIV of 1944), dated the 8th July, 1944.

† Under the Government of India, Finance Department (Central Revenues), Notification No. 29—Customs, dated the 18th November 1944, Cloth and Yarn manufactured in India and exported from British India to an Indian State are exempt from the payment of the duty leviable thereon.

‡ Under Government of India, Department of Labour, Notification No. L.MW5(4) dated the 17th April, 1947, and in exercise of the powers conferred by sub-section (1) of section 2 of the Mica Mines Labour Welfare Fund, Act, 1946 (XXII of 1946), the duty is levied, with effect from the 1st April, 1947, until the 1st April, 1948, on all mica, in whatever state, exported from British India.

**Report for the Year 1946.**

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*Section IV.*

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**SPEECH OF THE FINANCE MEMBER  
ON  
INTRODUCTION OF BUDGET FOR 1947-48.**



**SPEECH BY THE FINANCE MEMBER ON INTRODUCING THE BUDGET  
PROPOSALS FOR 1947-48.**

It is my privilege to place before this House the first Budget to be presented by an Indian Finance Member. I am deeply conscious of the importance of the task that has fallen to me and it will be my endeavour so long as I hold this portfolio to promote in every way I can the economic prosperity and well-being of this sub-continent and of all sections of its population. It will be my particular endeavour to reduce, to the maximum extent possible, the glaring disparities that exist to-day between the income and standards of life of the wealthy classes and the vast multitude of poverty-stricken masses, and to contribute to the best of my ability to the improvement of the lot of the common man. In tackling these tasks which have so far received inadequate attention, and which require all the time and effort that we are able to devote to them, I hope I shall have the support of all sections of this House and of the public outside.

2. I do not propose to dwell at any length on the developments in this country or outside in the interval since my predecessor presented his budget to this House. Although it is over eighteen months since the end of hostilities and statesmen in all countries have striven unceasingly for peace, the prospect of a just and lasting settlement seems as far away as ever while the rehabilitation of countries devastated by the war is proceeding with painful slowness. In our own country, as in other countries, the year that is closing has been a difficult year of transition. I need not dilate on the changes in the political field, as the events leading to the visit of the Cabinet Mission and the establishment of an Interim Government at the Centre composed of the representatives of the two major political parties and the minorities and the Statement of His Majesty's Government of the 20th of February must be fresh in the minds of Honourable Members. These are momentous developments, especially the recent statement by His Majesty's Government declaring their intention to transfer complete power to the peoples of India not later than June 1948. It is yet too early to envisage clearly all the changes foreshadowed by the statement, but this much is certain that the responsibility for shaping the future now rests entirely in our own hands. And while we may well feel elated at the prospect of the freedom that awaits us we must not forget the heavy responsibility that lies on our shoulders to ensure that the transference of power from British to Indian hands is effected peacefully and that the freedom that is achieved is true freedom for all the peoples of this vast sub-continent.

In the economic sphere, the progress in the return to peacetime conditions has not been as rapid or as smooth as could have been wished. Although the deflationary tendencies, which at one time were expected to manifest themselves soon after the end of the war, have happily not materialised, the transition to peacetime economy has been slow and halting. Inflationary trends have continued to persist and prices are still running high. The war-time shortage of consumer goods has not yet been materially alleviated, in spite of a large expansion of imports as internal production has been unable to fill in the gap between the huge pent-up demand left over from the war years and the available supplies. Production has been hampered by the inevitable delay in obtaining capital goods in a world clamouring for them after the widespread devastation of war, by labour unrest and strikes in the country, by persistent difficulties in the rehabilitation of the transport system and by the terrible and tragic happenings in certain parts of the country which have not only marred the fair name of India but brought untold hardship and misery to large sections of the population. In addition to all these difficulties, in themselves formidable enough, there has been the continuous anxiety about the food position in the country whose normal shortage had been immensely aggravated by the failure of the rains in South India and parts of the North and the consequent threat of famine. We have fortunately staved off disaster thanks to the generous, but still inadequate, imports of food grains from overseas and the stringent rationing over wide areas of the country, but the position still continues to cause grave anxiety and cannot but have a hampering effect on the recovery of the country.

Without a measure of assurance about the shape of the future constitution, it is not easy to formulate any long term economic or financial plan and the House will appreciate the difficulty in which anyone in my position is placed in the circumstances. In view of the latest announcement of His Majesty's Government the coming year is bound to be full of intense political activity, and what will occupy men's minds most will be the prospective

constitutional changes. But it does not follow that we should merely mark time till the constitutional issue is settled. Without in any way prejudging or prejudicing that issue, we can, and have to, go forward in tackling the urgent economic problems of this sub-continent and in raising the living standards of its peoples. The present inflationary trends have to be kept in check and provision made for maintaining the level of employment and production when deflationary trends manifest themselves as they are almost bound to sooner or later. Production has to be fostered and developed, the cost of living has to be reduced and, within the available resources, plans for the social and economic betterment of the people at large have to be implemented. In short, poverty has to be attacked on every front. I shall do all that lies in my power to assist in tackling these problems.

Before I go on to deal with the estimates I must express my regret to the House that it has not been possible to present this Budget in the usual detail. The reason is that Machinemen and Lino operators in the New Delhi Government Press have been on strike during the period crucial for the printing of the Budget documents and we have had to restrict our demand for printed matter to a minimum in consequence. I would like to mention that the Government Presses have been on strike intermittently since March 1946 in spite of ever increasing concessions covering shorter hours of work, reduced standard of work measurement, more holidays, increased rates of Dearness Allowance, improved pensionary benefits and interim financial relief; the last of these being still further increased in January 1947 to cover the period from the 1st January 1945 to the 31st December 1946 at the monthly rate of Rs. 8 to industrial workers in the Presses on basic pay below Rs. 40 a month. In spite of this exceptionally generous treatment, the Press employees again struck work early this month with resultant dislocation at a particularly critical period for the Government and the Legislature. The strike terminated only on the 24th of the month.

#### FINANCIAL YEAR, 1946-47.

##### *Revenue.*

3. I shall now proceed to a brief review of the financial position in the current and the ensuing years.

The revenue receipts for the current year are now estimated at Rs. 336.19 crores an improvement of Rs. 29.66 crores over the budget.

Customs receipts are expected to improve by Rs. 23.02 crores partly as the result of larger imports made possible by a general easing of the supply and shipping position and partly to the imposition of export duties on cotton and tea and the enhancement of the export duty on jute. Under Central Excises, however, we now expect to realise only Rs. 42.78 crores against Rs. 44.32 crores taken in the budget. Under Income-tax we anticipated a total yield of Rs. 149.25 crores, Rs. 75 crores on account of E.P.T. and Rs. 74.25 crores on account of ordinary collections. We now estimate that the collections will amount to Rs. 72 crores on account of E.P.T. and Rs. 85 crores on account of ordinary collections. The divisible pool of income-tax is now estimated at Rs. 69.81 crores and the Provincial share, after adjusting an overpayment of Rs. 1.28 crores last year, at Rs. 29.87 crores.

The revenue from the Posts and Telegraphs Department we place at Rs. 31.15 crores, an improvement of Rs. 57 lakhs over the budget. But working expenses will be Rs. 4 crores more owing to the grant of interim concessions to the staff following the strike last summer and the award of the adjudicator appointed to enquire into their dispute with Government. In the result the net surplus is expected to be Rs. 4.78 crores against Rs. 8.33 crores estimated in the budget.

The Railway contribution is now taken at Rs. 5.61 crores against Rs. 7.36 crores taken in the budget.

##### *Expenditure.*

4. *Defence Services.*—Following the practice introduced by my predecessor last year, I shall confine my remarks on the Defence Services to matters of policy or major financial interest, referring the House to the Explanatory Memorandum for fuller information regarding the activities of those services.

5. The original programme of general demobilisation which started in October 1945 has been largely adhered to but some retardation was necessary in the latter part of 1946 owing to internal disturbances in the country. Nevertheless the process of releasing personnel from the Services under that programme will be nearing completion by the beginning of the budgetary year and it is anticipated that the provisional demobilisation target will be reached by about the middle of that year. On the 31st December 1946, the total numbers released since the commencement of demobilisation were: army 1,187,000, navy 20,000 and air force 18,000. This in the difficult conditions obtaining during the year, represents a notable achievement.

6. One event of considerable general interest which may eventually lead to some reduction in our defence budget is the setting up during the year of the Armed Forces Nationalisation Committee under the chairmanship of the Hon'ble Sir N. Gopalaswami Ayyangar, which, as its title implies, is to enquire into ways and means of speeding up the replacement of non-Indian personnel by Indians throughout the Defence Services. Considerable progress has already been made towards this goal, and it is hoped that the deliberations of this Committee will result in its early attainment.

7. The budget estimate for the Defence Services for 1946-47 was Rs. 245.34 crores and the revised estimate is Rs. 240.11 crores. The decrease is due mainly to the receipts accruing to India from the sale proceeds of American surplus stores as a result of the Washington Lend-Lease Agreement to which I refer elsewhere in this speech, and to an overestimate in the budget of India's liability for stores. These factors were offset to some extent by heavier expenditure caused by the retardation of the rate of general demobilisation already mentioned, and heavy arrears payments on account of Reciprocal Aid to the U.S.A., chiefly relating to the supply of raw materials and compensation for damage to tea gardens requisitioned for the U.S.A. forces.

8. *Civil Estimates.*—The revised estimate of civil expenditure is Rs. 143.36 crores, an increase of Rs. 32.35 crores over the budget.

The reasons for the variations under individual heads resulting in this net increase are given in the Explanatory Memorandum accompanying the Budget Statement and I propose to mention here only the more important factors leading to this increase. The subsidising of imported foodgrains supplied to Provinces and Centrally administered areas to avoid disturbance to our internal price structure, which was decided upon after the budget was framed, is expected to cost Rs. 20 crores. The interim concessions sanctioned during the year to the low paid staff on account of the cost of living are estimated to cost Rs. 2 crores. There is a special provision of Rs. 3 crores under Civil Works for the clearance of outstanding liabilities for supplies. Expenditure on the Tribal Areas is expected to show an increase of about Rs. 1½ crores mainly due to additional expenditure on works, the expansion of certain levies and the embodiment of fresh levies as part of the scheme for the gradual replacement of the regular Army in Frontier Defence by Civil Armed Forces. A payment of Rs. 2½ crores has also been made during the year to the Government of Nepal in commutation of part of the annual present to that country for war services, to be utilised on development schemes such as hydro-electric projects of mutual benefit to both India and Nepal. Owing to additional expenditure on disposals and the slowing down of the pace of its contraction, the expenditure on the Department of Industries and Supplies is expected to be about a crore more than the original estimate. These special items account for nearly Rs. 30 crores of the net increase over the budget estimate. The balance is accounted for by increases spread over a number of heads mostly on the expansion of departments, purchases of additional stores and so on. The excess would have been somewhat larger but for the saving of Rs. 4 crores in the provision for re-settlement due to the slowing down of demobilisation and the time taken for the formulation of the necessary plans.

9. To summarise the position.—The current year's budget provided for a revenue of Rs. 306.53 crores and expenditure charged to revenue of Rs. 354.78 crores leaving a deficit of Rs. 48.25 crores. Revenue receipts are now estimated at Rs. 336.19 crores and expenditure charged to revenue at Rs. 381.47 crores leaving a deficit of Rs. 45.28 crores.

10. Before I go on to deal with the estimates for the coming year, I should like to advert briefly to one or two important points affecting Central expenditure in which the House will be interested.

11. The sudden cessation of hostilities in the East created two major problems which had to be given immediate consideration, viz.,

- (a) the cancellation of the pending demands for warlike stores, and
- (b) the transition of industry from war to civil production.

The expeditious reduction of the outstanding demands was necessary not only to prevent the accumulation of unnecessary stocks and to limit Government's financial liabilities to the minimum but also to release India's limited resources of productive capacity and essential raw materials for civil production. Two committees have, accordingly, been set up to finalise the reduction of demands before the end of the financial year and satisfactory progress has already been achieved. Cancellations of contracts to the value of Rs. 50 crores have been effected to the end of December for the payment of compensation of only Rs. 34 lakhs.

A Development wing has also been set up in the reconstituted Department for Industries and Supplies with the immediate task of assisting reconversion of industry from war to civil production by according necessary priorities, transport and other production facilities.

In the course of the year, a Technical Mission was brought out from the U.K. to advise the Government of India on the establishment of aircraft manufacture in this country. In accordance with their advice, the Hindustan Aircraft Factory at Bangalore is being reorganised to undertake the manufacture of aircraft as well as railway coaches.

#### *Disposals.*

12. The House will remember that mention was made in the Budget Speech last year about the deputation of two senior officers to America to settle the financial issues arising out of Lend-Lease and Reciprocal Aid and the transfer to the Government of India of the stocks and installations accumulated by the United States authorities in India during the war and now surplus to them. A delegation went to Washington for this purpose last April and a satisfactory settlement has been reached with the United States Government. Under this agreement, all outstanding claims arising out of Lend-Lease, Reciprocal Aid, United States owned surpluses and all other claims arising out of the war have been cancelled subject to the condition that if the sale proceeds of United States owned surpluses, after deduction of customs duty, exceed the equivalent of 50 million dollars (equal to Rs. 16.7 crores) half the excess proceeds should be paid to the United States authorities in rupees to be spent by them in India only on the acquisition and improvement of real property, the financing of agreed schemes of cultural and educational interest to the two countries and, if any balance is left, for defraying the governmental expenses of the United States in this country. Vigorous steps have been taken to feed the surpluses so acquired into the main stream of distribution. The total sale proceeds of the surpluses are likely to exceed 50 million dollars.

In addition to these American surpluses, considerable quantities of stocks held by the defence authorities have become surplus to the requirements of the armed forces as a result of the end of the war and subsequent demobilization. It is fully realised that the expeditious disposal of all these surpluses is not only in the financial interests of Government but also of the utmost importance to the economy of the country, and every effort is being made to ensure that no avoidable delays occur in dealing with them.

13. A problem similar to that of the disposal of surplus stores has also arisen in the case of the Ordnance and other factories set up during the war to meet the demands by Defence Services for Ordnance and other stores. Thirty-six such factories were established and the retention of many of them has been found to be unnecessary with reference to India's post-war requirements. An expert Committee was, therefore, set up to report on the future of these factories. In accordance with the recommendations of this Committee it has been decided to retain and regroup 15 factories as the peacetime Ordnance establishment and to dispose of 21 factories, mainly Clothing, Harness and Saddlery Factories, as an integral part of our policy to divert capacity from war to peace production. Again, as the peacetime load of Ordnance stores on the factories earmarked for retention is negligible, it has also been decided that the spare capacity of these factories should be utilised for civilian production. This production will be supplementary to the production of the established industries and is intended merely to narrow the gap between supply and demand as a temporary measure. The most important

item which is now being produced in the Ordnance Factories is Road Rollers. There is also a proposal to produce textile machinery and steel billets.

*Miscellaneous Matters.*

14. With the gradual return to peace-time economy it has been found possible to dispense with a large number of controls introduced in the war years. With effect from the 1st October 1946, the majority of these controls have been withdrawn retaining (apart from certain essential general controls such as those over imports, exports and foreign exchange) only those on commodities such as coal, textiles, iron and steel which are essential for the rehabilitation of the country's economy.

An expert committee called the Indian Coal-fields Committee was set up during the year to study the problems of the conservation of the coal resources of the country and the rationalisation of coal production. The committee has made far-reaching recommendations on the conservation, production, transport and utilisation of coal and on connected problems of administration and its report is under consideration. Meanwhile, I am sure the House will be reassured to learn that in the view of this expert committee coal will not prove a handicap in the industrial planning of the country.

The Department of Planning and Development was abolished during the year and its functions were transferred partly to the Department of Industries and Supplies and partly to the Co-ordination Committee of the Cabinet, under which a Development Board was set up to consider and co-ordinate the post-war plans for development. The Department of Labour had grown too unwieldy, particularly in view of the growing importance of the problems connected with labour and labour welfare, and has been split up into two separate departments of Labour and Works, Mines and Power.

The decision to appoint a Central Pay Commission to enquire into the conditions of service of Central Government servants with particular reference to the adequacy of the pay scales and standards of remuneration was announced last February. The Commission was appointed on the 10th May 1946 under the chairmanship of Sir S. Varadachariar, retired Judge of the Federal Court. It has nearly completed its task and steps have been taken to deal with its recommendations as expeditiously as possible. As the House is aware, an assurance has already been given that any changes in the rates of pay following the decisions on the Commission's recommendations will be given effect to from the 1st January 1947.

The allowances sanctioned on account of the cost of living to the lower paid staff were reviewed last summer and it was decided to sanction certain further concessions by way of interim relief. The cost of these concessions falling on civil revenues excluding Railways and Posts and Telegraphs is estimated at Rs. 2 crores.

I would like now to mention a recent decision of considerable importance, namely, the setting up of a Commodities Prices Board under the Finance Department. Hon'ble Members are well aware that a sound price structure is of critical importance to the economic health of the country, especially during the period of transition following on the economic upsets created by a total war. Concrete issues arise from time to time on which differing views are advanced not only as between the Provincial and Central Governments, the producers and the consumers but also as between the various departments of the Central Government itself. It is for these reasons that it was decided to set up an expert and full-time body to assist and advise Government in the formulation and administration of an appropriate and consistent price policy. Hon'ble Members will be glad to learn that the Board has now been constituted and is ready to embark on the onerous and important task that has been entrusted to it.

**FINANCIAL YEAR, 1947-48.**

*Revenue.*

15. I now turn to the financial year 1947-48. On the existing basis of taxation, the total revenue for the year is estimated at Rs. 279.42 crores compared with Rs. 336.19 crores for the current year.

Customs receipts have been placed at Rs. 89 crores, Rs. 1½ crores more than the revised estimate for the current year. The estimate allows for a full year's revenue from the additional

duties imposed this year. Under Central Excise Duties the revenue is estimated at Rs. 40.93 crores but the drop as compared with the current year is mainly in respect of certain special cesses which are funded.

Income-tax receipts have been placed at a total of Rs. 135 crores which includes Rs. 40 crores on account of arrears of E.P.T. and Rs. 7 crores on account of arrears of Central Surcharge. The total divisible pool is estimated at Rs. 76.33 crores and the Provincial share at Rs. 35.16 crores.

The revenue of the Posts and Telegraphs Department is expected to be Rs. 30.2 crores and the working expenses and interest Rs. 25.98 crores leaving a net surplus of Rs. 4.22 crores. As in the current year, the outright contribution of the department to general revenue will be three-fourth of the realised surplus, the department retaining the balance. The accumulated surplus of the department at the end of the current year is expected to be Rs. 8½ crores and it is proposed to give it a rebate of interest on this amount instead of on only Rs. 1 crore as hitherto.

As regards the contribution from the Railways, we are providing for Rs. 7.5 crores. The House is already aware of this estimate from the Railway Budget.

#### *Expenditure.*

16. *Defence Services.*—Although the general demobilisation of the Armed Forces and the shutting down of the war-time activities of the Defence Services will by the end of 1946-47 have brought us a very long way on the road towards the restoration of a peace regime in this country, the conditions likely to obtain during the year 1947-48 will, in some respects, be far from normal. On the Army side roughly 200,000 men will still remain to be released before the provisional demobilisation target has been reached. This target was prescribed mainly for planning purposes in order to ensure that the gigantic task of demobilising something like 1½ million members of the Armed Forces was put through in an efficient and orderly fashion, and does not necessarily correspond to the final post-war Defence Forces to be maintained in this country. The problem of the strength and composition of India's post-war Army, Navy and Air Force, raises numerous considerations of high policy which are at present engaging our earnest attention. Not the least of these questions is the amount of money that India can and should spare for her Defence Budget having regard to the pressing demands on her resources for social and economic development. Another important policy matter that arises in this connection is the extent to which British personnel should continue to be employed in and with India's Armed Forces. The recruitment of British Officers into the Indian Army which ceased on the outbreak of the second World War will not be resumed, and pending the complete nationalisation of that Army British Service officers will be seconded thereto for short terms of service only.

17. A major disturbing factor that will certainly persist throughout the year 1947-48 is that resulting from the existence of abnormally large stocks either held for the future requirements of the Defence Services or thrown up as surplus for disposals. The existence of these stocks necessitates the retention in the Defence Services of a considerable number of personnel who could otherwise be dispensed with, but it is hoped that many of these personnel will be released during the year as the disposal of surpluses progresses.

18. The Financial Settlement between the Government of India and His Majesty's Government relating to the allocation of Defence expenditure between the two Governments comes to an end on the 31st March, 1947, and for the year 1947-48 normal accounting methods will be reintroduced as far as possible. Under the provisions of the Financial Settlement practically the whole of the Defence expenditure incurred by India was charged in the first instance to His Majesty's Government, India subsequently giving credit to that Government for the cost of equipping and maintaining troops and other war-time activities undertaken by her for local defence purposes. With effect from the 1st April 1947 all Defence expenditure incurred by India will be charged direct to her Defence Estimates as was done before the War, but appropriate recoveries will be effected from His Majesty's Government in respect of the cost of Indian troops employed outside India and for any other supplies and services rendered to that Government.

19. For a great number of years India's Defence budget has included provision for what are termed Home Effective charges, representing the amount due annually to His Majesty's Government on account of expenditure incurred by that Government on recruiting, equipping and training British Service personnel for service in India. The amount of this liability was calculated actuarially when the strength of the British troops in India was practically constant, but under the conditions now obtaining with a much reduced and rapidly dwindling British element in the Defence Forces of India, the calculation of this liability presents very great difficulties. India on her side has a counter-claim (which in existing circumstances is substantial) for similar charges in respect of the Indian Army personnel employed by His Majesty's Government overseas, and the amount of this counter-claim too would at present be difficult to determine with any exactitude. A further difficulty arises in respect of the mutual liabilities of the two Governments towards each other in respect of non-effective charges. As the House is aware, agreement concerning these liabilities was entered into by India with His Majesty's Government during the war, but this agreement terminates concurrently with the main Financial Settlement and it is necessary to provide for something to take its place in respect of the liabilities for non-effective charges arising during the year 1947-48. A very rough assessment of the above mentioned claims and counter-claims indicated a substantial net charge to India, but against this could be set the fact that His Majesty's Government make an annual payment (£2,000,000) to the Government of India in accordance with the award of the Garraun Tribunal towards the cost of maintaining British troops in India. The problem of how all these liabilities should be assessed in the changed situation with which we are now faced has formed the subject of discussion with His Majesty's Government and, after a broad examination of the financial implications involved and in view of the pressing need for simplification of accounting work, it has been agreed that for the year 1947-48 there should be a mutual waiver of all claims and payments of the nature referred to above. It is felt that in all the circumstances this solution constitutes a fair and equitable settlement for both parties. It must be emphasised that this arrangement has been agreed upon in respect of the year 1947-48 only. The method of adjusting claims and counter-claims of this kind which may arise thereafter will have to be settled by negotiation in the light of the circumstances then existing.

20. I have referred in an earlier part of my speech to the heavy accumulations of stocks in the hands of the Defence authorities in India. Under the operation of the Financial Settlement these accumulations have been paid for by, and therefore belong to, His Majesty's Government and the Government of India propose to acquire possession of such stocks held on the 1st April 1947 whether for the future use of India's Armed forces or as surpluses awaiting disposal. They also contemplate buying out His Majesty's Government's interest in fixed assets comprising stores buildings, hospitals, workshops, office and residential accommodation etc., that have been constructed during the war at that Government's expense. The terms on which these stocks and assets are to be transferred will be negotiated in the course of the sterling balances discussions. Hitherto the sale proceeds of surplus stores thrown up by the Defence authorities and those resulting from the disposal of fixed assets created during the war have accrued to His Majesty's Government on whom all expenditure connected with their disposal has fallen. From the 1st April 1947, however, in view of the proposed transfers of ownership all such sale proceeds will be retained by the Government of India. It has been decided that these receipts during 1947-48 as well as those arising from the sale of American surpluses will be kept in suspense outside the Defence Estimates and eventually adjusted as Capital receipts, since their credit to the Defence revenue estimates would tend to obscure the true cost of the defence services. For a similar reason the amount to be paid to His Majesty's Government for the defence stocks transferred to Indian ownership on 1st April 1947 will (when known) be charged to a head outside the revenue estimates of the defence services. It is true that those estimates will from 1st April 1947 have to bear the cost incurred by the defence authorities on the custody, handling and distribution of surplus stores, but against this may be set the fact that no charge will be made against those estimates in respect of the cost of stores used for the equipment and maintenance of the armed forces which are drawn from the transferred stocks.

21. The budget estimates of defence expenditure for 1947-48 amount to Rs. 188.71 crores. The practice introduced during the war of providing for certain classes of expenditure, e.g., on airfields, industrial expansion and new construction for the R.I.N., under a capital

head will be discontinued and, commencing with the year 1947-48, all such expenditure will be provided for in the revenue estimates. Owing to the abnormal feature to which I have already referred that will prevail during that year, this estimate cannot be regarded as affording any reliable guide to the probable size of India's normal defence budget of the future.

22. The cost of defence supplies and services likely to be rendered to His Majesty's Government during 1947-48 is estimated to be approximately equal to the cost of similar supplies and services received by India from that Government. Accordingly the year's activities in the defence sphere are not expected to have any net effect on India's sterling balances.

23. *Civil Estimates.*—Civil expenditure next year is estimated at Rs. 139.17 crores, Rs. 4.19 crores less than in the current year. The estimates include a total provision of over Rs. 13 crores under the various heads for expenditure on resettlement and development schemes. Subsidies on imported foodgrains are expected to cost Rs. 17.35 crores against Rs. 20 crores this year. Details of the provision under the individual heads are given in the Explanatory Memorandum.

24. The budgetary position next year may now be summarised. At the existing level of taxation the total revenue is estimated at Rs. 279.42 crores. Expenditure charged to revenue is expected to amount to Rs. 327.88 crores, of which Rs. 188.71 crores will be on Defence Services, leaving a prospective gap of Rs. 48.46 crores. The figure of Rs. 327.88 crores does not include any expenditure which may have to be incurred as a result of decisions on the recommendations of the Central Pay Commission.

#### *Ways and Means.*

25. I shall digress at this stage, to give a brief account of the Ways and Means position.

In normal times the scale of Government borrowing is determined by their requirements of funds but in the war years, as the House is aware, it has been the policy to borrow as much as possible without raising the rates so as to draw off the surplus purchasing power in the hands of the community which would otherwise compete for the limited volume of available supplies. As I have mentioned elsewhere, there is still a serious shortage of consumer goods and, till this disparity between the available supplies and purchasing power is substantially reduced, the need to counter inflationary trends must be kept in view in regulating our borrowing.

We had budgeted this year for a total borrowing of Rs. 250 crores from the market and an expansion of our floating debt by Rs. 14 crores. We now estimate that the market borrowings this year would amount to no more than Rs. 112 crores and that the floating debt at the end of the year would be Rs. 4 crores less. We have been unable to reach the target assumed in the budget for a number of reasons. The operations connected with the conversion of 3½ per cent. paper to which I shall shortly refer covered the bulk of the slack season when it is usual to float the regular loans. We thus lost valuable time and in subsequent months market conditions became more difficult owing to disturbances in certain parts of the country and the seasonal trade demands for funds. These demands have been heavier than usual due to the increase in prices of certain commodities like mica, shellac, tea and jute, the slower movement of crops in parts of the country affected by the recent disturbances and the lock-up of funds advanced on goods which are held up by transport or other difficulties. The borrowing operations were also hampered by strikes in certain important banks during this period.

26. During the course of this year, the Government of India successfully carried out the greatest conversion operation undertaken so far. The rate of interest on the 3½ per cent. non-terminable loans had become out of line with the rate structure for other loans, but as they were liable to be repaid at par after three months' notice, they could not appreciate to a value appropriate to their rate of interest. It was, therefore, decided to exercise the option of repaying these loans and to replace them so far as possible by a 3 per cent. undated issue. Two loans were offered in conversion, one a 3 per cent. undated issue redeemable at the option of Government after forty years and the other a 2½ per cent. issue redeemable in 1976. The conversion was an outstanding success and a tribute to the credit of the Government of India. Out of an outstanding balance of Rs. 273 crores well over Rs. 260 crores were converted



mostly in the 3 per cent. undated loan. The annual saving of interest resulting from this conversion will be about Rs. 1.3 crores.

27. For next year, the market borrowings have been taken at Rs. 150 crores. I have also assumed that Government will exercise the option of repaying the 3 per cent. Loan 1947-50, but the final decision will be taken in the course of the year and with reference to the conditions then prevailing.

28. My predecessor mentioned last year the reorientation of the Small Savings Movement from a wartime measure to a peacetime organisation with the primary purpose of encouraging consistent savings among the less well-to-do sections of the community. It will be the policy of Government to encourage the movement in co-operation with the Provincial Governments.

During the last financial year the total investments in small savings amounted to Rs. 62.34 crores while in the first nine months of the current year Rs. 35.38 crores have been invested. For next year the net receipts from this source have been estimated at Rs. 45.45 crores.

#### *Sterling Balances.*

29. My predecessor last year envisaged a sterling holding of the order of £1,330 million by the end of the financial year 1945-46. The total actually reached on 29th March 1946 was £1,293 million or Rs. 1,724 crores. He thought it possible that the year 1946-47 might see the end of the period of accretions to our sterling balances, and might even mark the beginning of an era of decreasing balances. That anticipation has been more than realised: After reaching a peak figure of £1,300 million or Rs. 1,733 crores on the 5th April 1946, the balances have shown a steady tendency to decline, the amount on 31st January 1947 being £1,204 million or Rs. 1,605 crores which means a decrease of about Rs. 128 crores in ten months. This decrease is due largely to the heavy imports of foodgrains which we have been compelled to make during the last year, as well as to imports of fertilisers, stores and equipment on Government account. It reflects also some repatriation of British capital from India and an increasing flow of consumer goods of which the country has been starved during the period of the war. The sterling balances represent, by and large, the entire reserve of foreign exchange which this country will have at its disposal in the years to come for purchases of capital equipment required for our development programme and for meeting any unfavourable balance of payments. It is, therefore, a matter of paramount importance for our future to see that, apart from those consumer goods of which our people are badly and urgently in need, these balances should be wisely spent in the purchase of capital goods and the creation of productive assets, and should not be allowed to be frittered away, for instance on luxuries, trifles or non-essential consumer goods in a manner which does not add to the real wealth of the country. To ensure wise spending abroad is a responsibility of the Government of India and I can assure the House that they are alive to this responsibility.

30. During the last session of the Assembly I gave the assurance that the negotiations for the settlement of the problem of India's accumulated sterling balances would be started as early as possible. For the purpose of expediting these negotiations there have recently been, as the House is aware, preliminary talks of an exploratory nature between the officers of the Finance Department and the Reserve Bank on the one hand and H.M.'s Treasury and the Bank of England on the other. The conversations were extremely useful to both sides. It is expected that they will be continued on a more formal basis towards the end of April. The imminence of constitutional changes consequent upon the latest statement of H.M.G. renders it all the more important that the question of sterling balances should be settled at the earliest possible date. I shall, therefore, try my best to bring to bear on this matter as much expedition as the magnitude of the problem permits. I need hardly assure the House that I am fully conscious of the fact that our people have gone through untold hardships and suffering to such an extent that hunger and famine have taken a toll of millions of lives and, even to-day, the end of our suffering is not in sight. It must also be borne in mind that all this was because we not only bore our full share of our war burdens under the financial settlement, which was freely agreed to between H.M.G. and the then Government of India, but also had to strain ourselves to assist the United Kingdom and her allies in various ways. Our own share of burdens for which we are making no claim, was enormous and can stand favourable comparison

with those borne by the richer nations. I cannot believe that any fair-minded person will wish to deny to a people so poor and backward as we, what is justly due to us and is so greatly needed for raising us from our appallingly miserable condition and it will be my aim to secure a just settlement of our claims.

*Empire Dollar Pool.*

31. My predecessor had dealt at some length with the origin and significance of what is known as the Empire Dollar Pool. In view, however, of the continued misunderstanding in the public mind on this subject the position was again fully explained in a Press Note issued by my Department on October 7, 1946. Honourable members are aware that the termination of India's membership of the Dollar Pool is a matter indissolubly linked with the settlement of the question of the sterling balances and I can safely say that such a settlement will coincide with the termination, so far as we are concerned, of the pooling arrangement.

*International Monetary Institutions.*

32. Before I close my review for the current year I should like to refer, with some gratification, to the notable decision taken by this House on the 28th October 1946 in approving of India's membership of the International Monetary Fund and the International Bank for Reconstruction and Development. It is a decision of far-reaching importance; it signifies our willingness to co-operate with other nations in the international economic fields, and to participate in arrangements devised by common agreement for the better regulation and control of international commercial relationships.

I must also mention here the important decision, taken in the concluding month of last year, to fix the par value of the rupee in connection with our membership of the Fund. This formed an essential preliminary to the commencement of operations by the Fund and all member-countries were similarly called upon to determine the exchange value of their currencies. Our decision not to vary the existing parity rate was taken with due regard to all the relevant factors which bear on this difficult problem, and was in consonance with the vast majority of opinion expressed by public bodies and private individuals qualified to speak with authority on this subject and the majority view expressed by the Hon'ble members of the House consulted by me at a special meeting. I am confident that the decision was a wise one and I derive no little satisfaction from the fact that no country of any consequence has chosen to take a different course.

Necessary provision has been made in the estimates for the payment of our subscription to both the institutions. During the current year a sum of 60 million dollars, representing 15 per cent. of our quota, has been paid to the Bank and 5 per cent. will fall due next year. The International Monetary Fund has announced its intention to commence operations from the 1st March, 1947 and our full subscription of 400 million dollars will have to be paid to the Fund during the current year. The total expenditure on account of these subscriptions, which is being taken to capital, is expected to amount to Rs. 152.19 crores this year and Rs. 6.62 crores next year. The bulk of these payments will be made in the form of non-negotiable non-interest-bearing securities, for which provision is being made in the estimates.

*Post-war Planning and Development.*

33. Before dealing with the progress of post-war development and the financial aspect of measures undertaken and contemplated, I would like to refer briefly to the financial resources likely to be available for the purpose. The House will remember that in his Budget Speech for 1944-45, Sir Jeremy Raisman suggested that it would not be unreasonable to expect that, taking Revenue surpluses and borrowings together, the total resources in the first effective quinquennium may be of the order of Rs. 1,000 crores. That tentative estimate was based on certain assumptions, such as the attainment of a reasonably speedy rate of demobilization and an all out taxation and borrowing policy, not all of which have been realised in full. A later estimate prepared on more up-to-date information has shown that on the existing basis only a very small surplus on Revenue account would accrue to the Centre for the quinquennium as a whole and the total resources including borrowing would fall substantially below the figure mentioned by Sir Jeremy Raisman. The House will doubtless appreciate that any estimates framed now would in view of the uncertainty in the constitutional field introduced by the recent announcement of H.M.G. be of no more than academic interest. Until the

constitution of the authority or authorities to which the powers and functions of the present Central Government will be transferred is known, it would hardly be prudent to rely, for the quinquennium in question, on a system of Provincial and Central finance based upon the existing constitutional structure. But as I have said before, this does not mean that for next year we should not proceed with our economic programme, particularly in the Provincial sphere. Long term plans the execution of which is entrusted to departments of the existing Central Government would, however, need review in the light of the new situation but everything possible should be done to foster development on a provincial and regional basis. I must, therefore, stress the imperative necessity of mobilizing all our resources to the full, and for the fullest co-operation on the part of the public in all the borrowing operations by Government.

34. The deflationary tendencies which in last year's Budget Speech were envisaged as a possible result of the sudden curtailment of Military expenditure have proved to be less serious than was anticipated. Indeed, during the past year the main problem has been that of preventing a further inflationary rise on prices rather than of mitigating their decline. As the situation developed, it was found necessary to warn Provincial Governments that the works programme in their development schemes should be restricted to what their staffs could execute without undue strain, and within the limitations of material likely to be available, so as to avoid competitive increases of building costs which are already very high. It has been suggested to them that a careful watch should be maintained on the cost of construction of various types of works, so that their works programmes could be eased off if prices showed any tendency to rise and accelerated if there were signs of a general fall in prices.

35. Subject to this warning the Provincial Governments have been encouraged to proceed with their development programmes and considerable progress has in fact been made during the year. As I have already indicated, our financial position is not so satisfactory as had been hoped when the scheme for development grants to the Provinces was first announced, but in spite of this deterioration in our position we shall continue to give every possible assistance to development schemes which are of economic value to the country as a whole. I should only like to emphasise two points in this connection. In the first place I consider it essential that preference should be given to schemes which are designed to secure the development and expansion of the productive capacity of the country. The second point which I wish to emphasise is that even for the period of transition the development programmes can be carried out more successfully if there is full co-operation between the Central and Provincial Governments and full utilisation of Provincial as well as Central resources. The Government of India will make every effort to provide during the next year grants for the Provinces to the extent indicated in the last year's Budget Speech, although these grants are necessarily dependent on our financial position. The development plans on the scale contemplated by the Provincial Governments can be carried out if they are prepared to exploit their own powers of taxation to the full and to supplement the Central grants from the proceeds of such taxation and of their own borrowings. They must learn that they possess borrowing capacity independent of that of the Centre, which cannot borrow on the security of Provincial revenues; and that revenue resources may legitimately be supplemented from loan money for measures calculated to increase national wealth, even though they may not result in direct or immediate revenue return. An increase in real wealth is bound sooner or later to be reflected in larger revenues to the State.

36. During the current financial year we are making advance payments to the Provincial Governments to cover the whole of the expenditure incurred by them on approved development schemes. These advance payments will be taken into consideration when the share of each Province in the total amount available for distribution comes to be calculated. In our budget estimates for 1946-47 we made a lump provision of Rs. 35 crores for such advance payments and for expenditure on "Grow More Food" and other schemes whose cost is shared between the Central and Provincial Governments. Mainly owing to shortages of staff and material, the Provincial Governments have not been able to spend as much as had been anticipated and we now estimate that the total amount required during the current year will be of the order of Rs. 25 crores. In addition to this, loans granted to Provincial Governments for productive schemes are expected to amount to Rs. 11½ crores. In the next year's budget we have provided Rs. 45 crores for development grants and Rs. 32 crores for loans to the Provinces. It is not intended that the grants for next year should, as in the

current year, represent the total amount of expenditure incurred by the Provincial Governments on development schemes. I hope that in most cases it will considerably exceed the amount of the grant, but we have not considered it practicable for next year to insist on a specific proportion of the total expenditure being contributed by the Provinces, since some Provincial Governments have at present practically no accumulated funds available for this purpose and it will take some time to build up the necessary resources. Other Provinces, however, have substantial funds already available for development purposes. Such Provinces will naturally be expected to use a part of their own resources during the year.

37. The Central development plans have also made good progress during the year. These include schemes of agricultural development, training schemes for technical staff and financial assistance to various scientific, medical and technological institutions. We have also made provision for important development schemes in the Centrally Administered Areas and in the Tribal Areas on the North-West and North-East Frontiers of India. The funds provided for development purposes are distributed between many different heads, but I have roughly estimated that, if allowance is made for increases in standing charges, the total provision in the revenue section of the budget (excluding Railways and Posts and Telegraphs but including resettlement schemes) would come to over Rs. 15 crores.

38. One important development which deserves specific mention is the assumption of financial responsibility for the construction of and maintenance of National Highways. It has now been agreed that this change should come into effect on the 1st of April 1947 and we have made a total provision of about Rs. 6½ crores for National Highways expenditure during 1947-48, Rs. 2¼ crores in the revenue budget and the balance in the capital budget.

39. Another item which was mentioned last year is the subsidised housing scheme. Owing to the very high cost of building there has not so far been much response to the Central Government's offer to pay 12½ per cent. of the total cost of approved schemes. The matter is however again under discussion with the Provincial Governments and we hope they will be ready to proceed with suitable schemes during 1947-48, in so far as this can be done without pushing up prices still further. Meantime the Central Government have themselves approved a special scheme for the housing of coal miners. It has been agreed that as an experimental measure 10,000 houses should be constructed on selected sites in the Bengal and Bihar coal-fields and that houses of a similar type should be built for some of the railway collieries. The Central Government will pay a subsidy to the extent of 20 per cent. of the cost of these houses, subject to a maximum of Rs. 400 per house, and the balance of the cost will be met from loan funds. Since it is not at present considered practicable to effect large recoveries either from the owners or from the miners we propose to meet the greater part of the recurring charges by means of a small addition to the existing Welfare Cess on the total output of coal.

40. The only other schemes which I wish to mention specifically at this stage are the schemes for river development. I am glad to be able to say that, at a conference held last month, the Departments of the Central Government and the Governments of Bengal and Bihar reached a tentative agreement on the outlines of the Damodar scheme, which involves the building of eight dams and is expected to cost about Rs. 55 crores. A further conference will shortly be held at which we may expect the terms of the agreement to be finalised. The project affects more than one Province and many complex problems arise in reconciling all the interests involved. Considerable progress has been made in finding a suitable solution by the establishment of a Statutory Corporation which will be invested with the necessary authority by the Provinces and the Centre and financed by them in an agreed manner. It is hoped that a Damodar Valley Corporation will shortly be set up to plan, construct and administer the scheme, and that the construction of certain dams will start during the next cold weather. Considerable progress has also been made with the preliminary enquiries which are being conducted by the Central Waterways, Irrigation and Navigation Commission in connection with the Kosi and Mahanadi development schemes. It is obvious that schemes of this kind are of the utmost importance for the economic development of the country and I hope that the Governments concerned will continue to give them the highest possible priority.

41. As I have indicated earlier, the recent statement of His Majesty's Government has thrown everything into the melting pot and all the schemes for which the present Central Government has taken responsibility will have to be reviewed in the light of constitutional developments.

## PART B OF THE BUDGET SPEECH FOR 1947-48.

42. I should like to take this opportunity to emphasise the importance of regional planning in the economy of this sub-continent. The fundamental object of all planning and development is to raise the standard of living of the masses. In order to ensure a uniform improvement in the standard of living, it is essential that all parts of the country, particularly the backward areas, should develop a sound and balanced economy. A balanced economy implies the co-ordinated development of the soil, water resources, electric power, agriculture, industry, health, education and trade and a just and equitable distribution of wealth. Such an economy, in my view, can best be achieved if planning proceeds on a regional basis. The work of the Tennessee Valley Authority provides a classic example of what can be achieved by concentration of planning effort in a backward region. The Indian sub-continent with its population of four hundred million, which is one-fifth of the human race, and its area of nearly sixteen hundred thousand square miles, is far too big to be treated as one unit for the purpose of planning. It is often urged in support of Central planning that it would avoid overlapping and waste of resources. In the present undeveloped state of the country this would appear to be an academic argument which hardly has any relation to facts. The India of to-day is in such a backward state of development that it may well take at least another generation before we reach a stage when we can talk of overlapping and waste of resources.

43. Before I pass on to my proposals for reducing the gap between revenue and expenditure, the House will doubtless wish for an assurance from me that the estimates of expenditure of the Central Government in the coming year are not in excess of what is essential for the day to day administration and for necessary development. I am aware that there is a feeling in this House that the Central Government expenditure needs scrutiny in certain respects. I agree that, if only for the purpose of conserving our resources for development, there may be certain directions in which such a scrutiny can be usefully exercised. It may, for instance, be found that some of the establishments of the Government of India are susceptible of reduction. Again, certain wartime activities which in the first instance were undertaken to meet specified wartime requirements may have escaped review even though the need for them may have ceased to exist. And, lastly, it may also be necessary to see if the Central Government has undertaken any functions or activities which legitimately fall within the Provincial sphere beyond what is necessary. Even though the Finance Department, in the course of its day to day working, conducts an examination of expenditure proposals keeping all these considerations in view, I feel that there might be advantages in an *ad hoc* review at this stage by a Committee which would examine the matter in its broad aspects and from a detached point of view. I therefore propose that a Committee, consisting of officials and non-officials, including Members of the Legislature, should be appointed for this purpose. I should, however, make it clear that my object in proposing an Economy Committee of this nature is not to conduct a retrenchment campaign in the sense in which that expression is ordinarily understood. Although inflationary conditions still persist, a thorough going retrenchment drive would not be appropriate with the possibility of a post-war deflation hanging over us, which might necessitate an expansion of public expenditure for counteracting an incipient deflation. What I am really anxious to secure is that the resources of the Central Government are utilised to the fullest advantage of the community and are not frittered away on objects which are neither essential for the day to day administration nor conducive to the development of the country. In other words, economy and the elimination of unnecessary, wasteful or extravagant expenditure is my objective rather than pure retrenchment.

44. An important question which I might mention at this stage is the nationalisation of the Reserve Bank of India. Honourable Members will remember the recent debate in the House which disclosed that there was a general consensus of opinion in favour of nationalisation. I said at the time that I would be prepared to give sympathetic consideration to the proposal for nationalising the Bank if this was found to be in the best interests of the country, after considering all the relevant aspects of the question. I have since given further thought to the matter and am convinced that the advantages of nationalisation outweigh any possible disadvantages. I have therefore come to the conclusion that the Reserve Bank should be nationalised; the time and manner of effecting the change being a matter for separate consideration in due course.

45. There is another matter which I should also like to mention, namely, the question of control over speculation on the Stock market and on the Commodity and Bullion Exchanges.

The House will, I am sure, agree with me that in recent years speculative activity has tended to increase, particularly on the Stock Exchanges, with serious consequences on the banking system and credit structure of the country as a whole. Unbridled speculation has been a serious impediment to the growth of proper investment which is an essential condition of economic development. I regard speculation of this kind as a social evil indistinguishable from gambling, and its greatest mischief lies in the fact that it aggravates economic inequalities in a country where such inequalities are already serious. The question of regulating Exchanges has been the subject of a special enquiry by the Economic Adviser of my Department, and the views of Provincial Governments have also been elicited. I hope to place before the House after the necessary examination is completed the measures that may be necessary in this behalf.

46. The proposals that I have to place before this House, whether they involve the levy of fresh or the abandonment of existing taxation, are related, not to purely financial purposes, but to certain social objectives which, I am sure the House will agree, must be kept prominently in view by all those who have the good of the countless millions of this vast sub-continent at heart. India is a land of glaring contrasts and disparities; we have here on the one hand a class of multi-millionaires rolling in wealth and holding the economy of the country in their grip by exploiting for their own profit the labour of the poorer classes, and on the other hand the vast multitudes who eke out, somehow or other, a miserable existence precariously near the starvation-line. The conditions created by the last war served to accentuate these disparities; the rich became richer and the poor poorer. This meant the concentration of wealth in fewer and fewer hands and, inevitably, the use of that wealth for the purpose of tightening the stranglehold of Big Money over the economic life of the country as a whole by the acquisition of businesses, companies, public utilities, and the press. A set of conditions in which the few are able to wield such vast power over the many can hardly be regarded as anything but a negation of the principles of social justice. And although I am not one of those who consider the abolition of private property and the complete equalization of incomes as the only remedy for these ills, I do believe in the Quranic injunction that wealth should not be allowed to circulate only among the wealthy, and the stern warning given against accumulations of wealth in the hands of individuals. It is against this background that my budget proposals have been formulated, although I am afraid I cannot claim that they represent anything more than the first stage of a policy of social justice and development which it will require years to bring to full fruition.

47. My first proposal in implementation of the policy I have indicated is the setting up of a Commission to investigate that aspect of the great private accumulations of wealth in recent years which is concerned with our direct taxation. We have heard a great deal for some years past about the enormous amount of income which is alleged to have escaped taxation either owing to deliberate evasion or to the inadequacy of the Income-tax Department or to both. We have also heard of the huge sums that are said to have been made in black-market operations. And I must say that support for these opinions, which have been voiced in the press and elsewhere, is found in the numerous reports of transactions in which businesses and properties of various kinds have changed hands for vast sums of money. The way in which some of these profiteers have flaunted their newly acquired wealth has been something of a public sensation. And when one considers that out of an annual income of Rs. 30 lakhs for the five years 1941-42 to 1945-46 inclusive—and I would point out that an annual income of Rs. 30 lakhs is a very exceptional income having regard to the fact that excess profits tax was in force during those years—i.e., out of a total income of a crore and a half for those five years only Rs. 21 lakhs would have been left after the correct amount of taxation had been paid, one is entitled to ask how the crores of rupees which have figured in many recent transactions were accumulated. There may be a good explanation but, if so, we are entitled to have it. I therefore propose to set up a special Investigation Commission with full powers to get to the bottom of this matter and to make recommendations to Government in regard to such action as may be found necessary.

48. I come now to my taxation proposals. Between the total estimated expenditure, both civil and defence, of Rs. 327.88 crores and the total estimated revenue, at the existing level of taxation, of Rs. 279.42 crores, there is a gap of Rs. 48.46 crores, which will be further enlarged by the withdrawal of the salt tax which I am proposing. This proposal will mean a loss of Rs. 9.25 crores of revenue, to which must be added a further Rs. 1 crore for refunds

of duty on stocks. The expenditure on salt administration will be met by adjustment of the selling price of Government salt and of the cess on salt manufactured under licence, thus leaving a net loss of Rs. 8.25 crores. My problem then is how to fill a total gap of Rs. 56.71 crores. I have come to the conclusion that the greater part of this gap should be filled by direct taxation and my proposals for new or increased taxation are designed to yield Rs. 44 crores, of which Rs. 4 crores will go to the Provinces as their share.

49. In regards to the Salt Tax, the objections are well-known—the most valid being that it is laid upon a prime necessity of life and that it is regressive, the poor man paying as much as the rich man and perhaps, if he is a manual worker, even more. On the other hand, the incidence on the individual consumer is light, while the annual yield in revenue amounts to more than Rs. 9 crores. Until recent years, the yield from the tax formed a substantial part of the revenue budget and previous Governments have felt unable to dispense with so large an individual contribution. At the present time, however, the proportion which it bears to the total revenue is comparatively small so that this objection has considerably less force now than before. After careful consideration it has been decided that the tax should now be withdrawn. At the same time, we are impressed with the necessity for maintaining close control over the production of salt in India so as to ensure the maintenance of a high standard of quality and the provision of adequate supplies throughout the land, and to secure the country against periodical shortages due to the cutting off of external supplies. Until now Government's interest in the salt industry has been largely confined to the raising of revenue, hereafter it is intended that its interest should be entirely positive and constructive and should be directed towards developing India's salt resources to their full potential, improving the quality of the salt and making sufficient grades to provide for all classes of consumers, encouraging increased consumption by individuals and by cattle, providing adequate supplies for industrial uses, keeping prices at a minimum and ultimately making India full self-supporting in this important commodity.

The excise duty on indigenous salt and the customs duty on imported salt will accordingly be withdrawn with effect from the 1st April 1947, but Government will continue its own production of salt and will retain control over organised manufacture and will also purchase or control all imported salt. Individuals will, however, be allowed to make or collect salt for their own purposes and those who wish to manufacture for sale will be allowed to do so subject to certain limitations which will be prescribed by rules.

In order to provide that as far as possible the full benefit of the remission of duty is passed on to the consumer, maximum wholesale and retail selling prices will be prescribed and failure to observe these maxima will be liable to penalty.

A Bill giving effect to these decisions and setting up machinery for the future control of the manufacture, import and distribution of salt will be introduced during the course of this session.

In September last year, in order to avert a salt famine which was then threatening owing to the reluctance of wholesale dealers to purchase salt in face of the possibility that the duty might presently be abolished, the salt trade was assured that it would not be put to loss in respect of substantial stocks of salt held at the time when such a change, if decided upon, should take place. In fulfilment of this promise dealers will be granted refund of duty on all bagged stocks of 30 maunds or more held in their possession on the 1st April 1947.

50. I would like to remind the House that the abolition of the Salt Tax is not the only form of direct relief to the poorer classes. A further and even more effective form of assistance is the expenditure of Rs. 17.35 crores on the subsidisation of imported food and the indirect subsidisation of food produced within the country in the form of 'Grow More Food' grants to which I have referred in an earlier part of my speech. The corner stone of our economic policy is to maintain strict control over the prices of the basic necessities of life, food and cloth, so as to stabilise them at reasonable levels and keep them within the purchasing power of the poorest sections of the population. I am determined to take all steps in my power in furtherance of this policy.

51. In the field of direct taxation, I propose to raise the minimum exemption limit for income-tax, which is now Rs. 2,000 to Rs. 2,500. This raising of the limit will give relief to a considerable number of assesses who are hard hit by present conditions. In proposing

this relief I am not unmindful of the feeling in its favour expressed by many members of this House in proposing amendments to former Finance Bills. The cost of the relief will be about Rs. 25 lakhs.

52. Coming now to proposals of additional taxation my most important contribution is the proposal to levy a special income-tax of twenty-five per cent, of business profits exceeding one lakh of rupees. The proposals for this tax are contained in a separate Bill and I do not desire to anticipate here the explanation which will be given when the Bill is being considered by this House. But I should like to point out that this proposed tax is very much more simple to operate and very much fairer in its incidence than the Excess Profits Tax. It also embraces professions and vocations which were exempt from the Excess Profits Tax. To prevent hardship in the case of moderate incomes a limit of exemption of one lakh of rupees has been fixed. This in substance corresponds to the "standard profit" under the Excess Profits Tax Act, and only the excess above one lakh will be subject to the tax. The yield of the tax is estimated at Rs. 30 crores for next year.

53. My next proposal is a tax on capital gains. Honourable Members must be well aware of the extent to which large capital gains have been made in recent years and are still being made owing to prevailing conditions. These profits are, as the law stands, outside the scope of the Income-tax Act. I feel very strongly that this lacuna in our legislation should be filled. There is stronger justification for taxing these profits than there is for taxing ordinary income since they represent what is properly described as unearned increment. The U.S.A. taxes such profits. I am well aware that possibly the chief reason why many countries do not seek to tax them is the fear that losses claimed may exceed the profits declared. I am proposing to deal with this contingency as the U.S.A. have dealt with it, by allowing capital losses to be set off only against capital gains. This at least will secure us against a net loss under this head in any particular case. The proposals also distinguish between gains made from the disposal of capital assets held for two years and those held for more than two years. In the case of the former the usual rates of income-tax and super-tax will apply, while in the case of the latter super-tax will not be levied. This distinction, however, does not apply to companies as they are not assessed to graduated rates of super-tax. The proposals further provide for ignoring profits and losses not exceeding Rs. 5,000 a year. There are two reasons for this exemption. In the first place, we do not want to harass assesseees or waste the time of our officers by investigating petty capital transactions and, secondly, we want to exclude the great majority of cases in which assesseees dispose of personal possessions. The proposal is expected to yield Rs. 3½ crores next year.

These proposals for taxing capital gains are contained in a Bill, already mentioned, to amend the Income-Tax and Excess Profits Tax Acts which is being placed before the House. The part of the Bill which deals with Excess Profits Tax implements an undertaking previously given to provide for terminal losses. It recognises the fact that some expenses and losses incurred after the 31st March 1946—the date on which the Excess Profits Tax ceased to have effect—should in fairness be treated as relating to the E. P. T. period. It is proposed therefore to allow as a deduction from the profits of the chargeable accounting period ended on that date terminal expenses incurred after it and losses from the subsequent realisation of trading stocks held on that date.

54. My next proposal is to raise the rate of corporation tax from one anna to two annas. This is expected to yield Rs. 4 crores next year.

55. No change is proposed in the rates of income-tax but I feel that our present rates of super-tax are not sufficiently in accordance with modern trends in the taxation of high individual incomes. It seems to me that the maximum rate of ten and a half annas should be reached at points much lower than the present, which are Rs. 3½ lakhs for unearned income and Rs. 5 lakhs for earned income. In the scale which I am proposing the maximum rate is reached at Rs. 1.2 lakhs for unearned income and Rs. 1.5 lakhs for earned income. This will, in effect, mean, that, in these reaches of income the total of income-tax and super-tax taken together will amount to fifteen and half annas in the rupee. This proposal is expected to yield Rs. 2½ crores next year.

56. Finally, I come to the dividend tax which was imposed last year, not for the purpose of raising revenue but in order to discourage the dissipation of a company's resources



in excessive dividends. The idea underlying the scheme is that a company should be penalised if it distributed roughly more than one half of its profits left after taxation. So far as we have been able to ascertain from completed assessments, the policy which this tax seeks to enforce has been followed in the great majority of cases. But in order to discourage further those who still persist in distributing what we consider excessive dividends in present circumstances, I propose to tighten up the provision by making the rates of tax more penal. As the proposal will yield no tax if it fulfils its object and as that is my hope, I am estimating no yield under this head.

57. In the field of indirect taxation, I propose to raise the existing export duty on tea from two annas per pound to four annas per pound. This is estimated to yield additional revenue to the extent of Rs. 4 crores in the next year. I should emphasise that this duty is of a temporary nature and if circumstances arise which indicate that there is danger of curtailment of our exports of tea, it may be necessary to reduce the rate.

58. The effect of my proposals is to increase Central revenues by Rs. 39.75 crores which will leave a final deficit of Rs. 16.96 crores. But I must warn the House that the actual deficit may be much larger as the budget does not include any provision for the additional expenditure that may be incurred as a result of the orders that may be passed on the recommendations of the Central Pay Commission. Some losses in customs duty due to reductions in tariff may also arise as a result of the international trade discussions which are shortly to be held and in which India is participating. But we might reasonably hope that any such losses resulting to the public exchequer will be counterbalanced by the advantages accruing to the people of this country as a result of the tariff concessions which we hope to receive from the other countries in exchange for the concessions made by us.

59. Sir, I have done. We are passing through an exceedingly difficult phase. The transition from war to peace presents the economy of every country with problems of great magnitude and difficulty. In our case there is, superimposed on these problems, the still greater problem of the transfer of power from British to Indian hands. The problem of India's political emancipation with which is linked up the economic well-being of the country is intricate and the task ahead of us difficult. But if we tackle it with wisdom and courage and arrive at a peaceful, just and honourable settlement we will have succeeded in ensuring the whole future progress and happiness of the peoples of this vast sub-continent. The eyes of the world are on us. May Providence help and guide us during the most crucial year of our destiny.

**Report for the Year 1946**

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*Section V.*

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**DOCUMENTS AND STATISTICS.**

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TABLE No. 1.

**SPINDLES AND LOOMS SET UP IN INDIA, THE UNITED STATES OF AMERICA, GREAT BRITAIN, GERMANY, JAPAN AND CHINA.**

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.
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	18,229,991	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	19,329,082	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	760,000
1908	5,756,020	26,133,442	55,218,024	9,850,209	1,795,879	....
1909	6,053,231	27,914,085	57,028,422	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	2,170,766	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	947,400
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	4,436,798	3,581,214
1924	8,313,273	37,924,000	59,511,000	10,060,000	5,125,696	3,569,440
1925	8,510,833	37,833,000	59,903,000	10,060,000	5,447,184	3,414,062
1926	8,714,168	37,650,000	60,285,000	10,300,000	5,679,852	3,461,152
1927	8,702,760	37,483,000	60,466,000	10,900,000	6,116,266	3,588,483
1928	8,704,172	36,824,000	60,042,000	11,020,000	6,467,174	3,688,483
1929	8,907,064	36,216,000	59,134,000	11,155,000	6,836,516	3,638,098
1930	9,124,768	35,663,000	57,712,000	11,260,000	7,214,001	3,664,120
1931	9,311,953	33,325,000	57,575,522	10,838,000	7,535,146	3,969,552
1932	9,506,083	32,109,000	53,443,684	10,233,000	7,964,850	4,497,902
1933	9,590,658	30,685,000	51,525,314	9,846,000	8,643,928	4,498,000
1934	9,613,174	30,329,000	47,182,560	9,900,000	9,530,574	4,904,788
1935	9,685,175	29,717,000	45,056,787	9,900,000	10,649,048	5,171,600
1936	9,856,658	28,598,538	42,641,685	9,900,000	12,139,408	5,172,000
1937	9,730,798	27,123,413	41,102,514	10,200,000	12,567,296	5,526,847
1938	10,020,275	25,934,590	38,807,925	11,065,000	12,776,220	5,635,068
1939	10,059,370	25,727,330	36,949,088	†13,000,000	12,278,233	5,635,068
1940	10,005,785	25,060,879	35,836,860	†13,000,000	12,278,233	5,635,056
1941	9,961,178	Not available	Not available	Not available	Not available	Not available
1942	10,026,425	Do.	Do.	do.	do.	do.
1943	10,130,568	Do.	Do.	do.	do.	do.
1944	10,222,107	Do.	Do.	do.	do.	do.
1945	10,238,131	Do.	Do.	do.	do.	do.
1946	10,305,169	Do.	Do.	do.	do.	do.

Notes.—The figures for India are taken from the Association's Mill Statement.

The figures for Japan are taken from the half-yearly publication of the Japan Cotton Spinners Association.

The rest of the figures are taken from the Comtelburo Year Book;

† Includes Austria and Sudetanland.

TABLE No. 2.  
LOOMS.

Year.	India.	United States of America.	Great Britain.	Germany.	Japan.	China.
1895	35,338	362,067	606,585	245,000	5,000	....
1896	37,270	354,358	....	....	....	....
1897	87,584	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	4,765
1917	114,621	725,366	807,543	....	36,181	5,853
1918	116,484	712,426	787,679	....	40,391	....
1919	118,221	700,620	790,936	....	44,401	7,193
1920	119,012	708,079	798,083	190,200	50,583	7,660
1921	123,783	719,120	790,399	190,200	54,994	....
1922	134,620	707,469	799,000	190,200	60,893	10,814
1923	144,794	744,686	795,244	240,700	64,460	22,477
1924	151,485	760,625	791,674	240,700	68,579	21,644
1925	154,292	762,808	788,197	240,700	73,381	25,934
1926	159,464	760,133	786,309	240,700	77,043	22,924
1927	161,952	745,520	767,524	250,000	78,352	24,047
1928	166,532	747,379	754,940	250,000	81,209	25,950
1929	174,992	736,379	739,887	250,000	77,898	29,788
1930	179,250	720,177	703,878	250,000	79,466	29,583
1931	182,429	658,604	657,664	230,000	77,782	29,582
1932	186,341	646,764	624,629	230,000	79,277	33,580
1933	189,040	625,445	601,750	267,000	86,343	33,580
1934	194,388	608,815	560,153	225,000	91,146	42,596
1935	198,867	600,837	617,460	225,000	95,982	42,834
1936	200,062	575,366	499,703	225,000	100,543	42,834
1937	197,810	540,233	471,258	225,000	*232,564	52,009
1938	200,286	501,415	461,209	236,000	*322,564	58,439
1939	202,464	504,266	453,396	†270,000	*253,587	58,439
1940	200,076	505,609	441,065	....	....	....
1941	198,574	Not available	Not available	Not available	Not available	Not available
1942	200,170	Do.	Do.	Do.	Do.	Do.
1943	200,890	Do.	Do.	Do.	Do.	Do.
1944	201,761	Do.	Do.	Do.	Do.	Do.
1945	202,388	Do.	Do.	Do.	Do.	Do.
1946	202,814	Do.	Do.	Do.	Do.	Do.

(Please see footnote to previous table.)  
† Includes Austria and Sudetenland.

\* Includes narrow width looms.

**TABLE No. 3**  
**PROGRESS OF COTTON MILL INDUSTRY IN INDIA.**

Year.	BOMBAY CITY AND ISLAND.						ALL-INDIA.					
	Average Working Daily.		Cotton Consumed. Bales of 392 lbs.	Yarn Spun. Bales of 400 lbs.	Cloth Woven (in yds.)	Average Number of hands employed daily.	Average Working Daily.		Cotton Consumed. Bales of 392 lbs.	Yarn Spun. Bales of 400 lbs.	Cloth Woven (in yds.)	Average Number of hands employed daily.
	Spindles.	Looms.					Spindles.	Looms.				
	1	2	3	4	5	6	1	2	3	4	5	6
Year ending 31st August.	Year ending 31st August.	Year ending 31st August.	Year ending 31st March.	Year ending 31st August.	Year ending 31st August.	Year ending 31st August.	Year ending 31st August.	Year ending 31st August.	Year ending 31st March.	Year ending 31st August.	Year ending 31st August.	
1918	2,671,450	52,887	1,068,492	893,221	933,137,872	124,199	5,987,685	101,141	2,085,678	1,651,429	1,614,126,458	282,227
1919	2,652,115	52,320	999,756	765,475	757,903,744	126,368	6,046,323	102,977	2,044,230	1,537,601	1,450,726,160	293,277
1920	2,814,718	54,664	957,150	794,207	863,292,197	140,208	6,238,771	105,169	1,952,318	1,589,400	1,639,779,227	311,078
1921	2,896,926	57,159	1,060,598	856,141	836,506,933	147,740	6,407,037	111,708	2,120,230	1,650,006	1,580,849,746	332,179
1922	2,952,183	58,848	1,074,198	871,736	921,926,856	149,224	6,549,112	117,318	2,203,540	1,733,929	1,731,573,296	348,723
1923	3,013,593	60,808	1,059,630	870,248	870,284,518	148,771	6,760,218	120,806	2,151,698	1,704,733	1,725,284,187	347,380
1924	2,929,786	62,087	821,466	673,966	855,883,055	148,414	6,962,553	128,320	1,917,748	1,621,569	1,701,574,355	356,887
1925	3,181,654	66,329	904,732	818,857	986,028,304	153,009	7,464,161	135,616	2,226,310	1,798,475	1,970,446,852	367,877
1926	2,860,076	63,403	777,970	654,906	871,840,734	149,099	7,264,234	136,033	2,113,384	1,716,068	1,954,462,650	373,508
1927	2,951,513	69,684	994,500	862,147	1,135,020,515	154,698	7,521,636	146,200	2,417,412	2,017,700	2,258,716,065	384,623
1928	1,826,026	45,464	568,848	796,867	1,131,620,832	129,275	6,505,175	126,235	2,009,782	2,022,351	2,356,564,805	350,921
1929	2,108,747	47,668	630,978	384,382	537,402,790	106,710	6,957,389	133,882	2,161,166	1,620,740	1,893,268,655	346,925
1930	2,803,936	64,397	877,492	658,042	888,944,315	136,774	7,979,454	156,662	2,673,714	2,083,899	2,418,981,049	384,022
1931	2,702,848	62,748	839,388	677,266	967,586,025	129,057	8,003,714	157,609	2,633,176	2,168,106	2,561,133,035	395,475
1932	2,715,889	61,883	920,730	803,974	1,216,886,366	129,534	8,323,082	161,340	2,911,264	2,416,016	2,989,891,101	403,226
1933	2,430,854	58,870	797,076	782,304	1,210,597,547	110,943	8,202,149	162,818	2,837,158	2,541,046	3,169,898,499	400,005
1934	2,043,506	48,764	613,014	606,619	923,057,741	95,007	7,845,077	158,802	2,703,990	2,302,652	2,945,051,727	384,938
1935	2,398,324	57,208	885,252	663,469	1,025,360,827	111,147	8,441,464	174,114	3,123,414	2,501,889	3,397,456,046	414,184
1936	2,305,970	57,783	836,460	762,092	1,236,204,871	109,670	8,504,406	177,935	3,109,618	2,645,742	3,571,370,903	417,803
1937	2,322,151	58,978	828,184	691,490	1,156,084,569	109,479	8,441,001	177,810	3,146,752	2,635,292	3,571,987,099	417,276
1938	2,584,593	62,812	1,036,992	826,503	1,376,127,887	118,993	8,901,635	183,368	3,662,648	2,898,781	4,084,276,368	437,690
1939	2,484,022	61,452	986,542	918,076	1,439,161,075	113,338	8,986,371	183,332	3,810,734	3,258,115	4,269,269,499	441,949
1940	2,350,164	59,568	813,450	725,966	1,241,854,984	104,890	8,847,326	178,842	3,679,874	3,084,216	4,012,529,025	450,165
1941	2,465,515	62,688	1,147,968	885,585	1,308,777,815	115,993	9,083,046	184,258	4,251,022	3,372,597	4,269,475,002	459,509
1942	2,457,782	61,141	1,310,034	1,171,791	1,498,640,911	122,025	9,165,812	184,665	4,740,722	3,942,944	4,493,613,208	480,447
1943	2,578,875	63,171	1,484,462	1,162,553	1,392,440,050	129,655	9,402,397	186,992	4,890,218	3,834,340	4,109,336,790	502,650
1944	2,633,694	63,803	1,451,980	1,275,728	1,666,839,777	129,642	9,493,784	189,241	4,843,112	4,201,156	4,870,680,993	504,401
1945	2,586,850	65,390	1,493,240	1,281,977	1,649,791,235	129,510	9,490,098	190,601	4,909,314	4,127,313	4,726,472,273	509,778
1946	2,625,770	62,812	1,302,488	1,222,456	1,590,465,150	126,798	9,548,295	186,505	4,549,932	4,037,042	4,675,634,321	495,456

**NOTE.**—Columns 1, 2 and 3.—Figures taken from the Association's Mill Statement.

Columns 4 and 5.—Are taken from "Monthly Statistics of Spinning and Weaving" published by the Government of India.

Column 6.—Same as columns 1, 2 and 3.

Production was at a standstill in all the mills in the Bombay City and Island for about 2 months in 1924 (end of January to March) and for a further period of 2½ months in 1925-26 (Sept. 15th to 1st Dec.) and again for out 6 months in 1928 (April 15th to first week of October) and for about 4½ months in 1929 (26th April to the middle of September).

TABLE No. 4.

THE WORLD'S COTTON CROPS, 1914-15 to 1945-46 (TODD'S).  
(Bales approximately 500 lbs.)  
(000's omitted.)

Years.	America (Linters included).	India.*	Egypt.	Russia.	China.	Others.	Total	Percentage on 1914-15.
1914-15	16,992	5,209	1,298	1,244	2,333	1,154	28,212	100
1915-16	12,123	3,738	961	1,407	2,057	984	21,270	76
1916-17	12,781	4,489	1,022	1,110	1,714	1,027	22,143	79
1917-18	12,428	4,000	1,262	603	1,863	1,086	21,242	76
1918-19	12,970	3,972	964	420	2,203	1,298	21,827	78
1919-20	12,029	5,796	1,114	274	1,914	1,485	22,612	81
1920-21	13,880	3,600	1,206	66	1,829	1,326	21,907	78
1921-22	8,351	4,485	972	42	1,488	1,263	16,601	59
1922-23	10,370	5,073	1,243	52	2,249	1,380	20,367	72
1923-24	10,808	5,161	1,306	214	1,931	1,600	21,020	74
1924-25	14,525	6,088	1,455	458	2,104	1,904	26,534	94
1925-26	17,219	6,215	1,593	741	2,044	1,991	29,803	106
1926-27	19,135	5,024	1,530	785	1,691	1,988	30,153	107
1927-28	13,972	5,963	1,219	1,025	1,833	1,803	25,815	92
1928-29	15,760	5,782	1,602	1,174	2,394	2,105	28,817	102
1929-30	16,066	5,243	1,706	1,279	2,055	2,118	28,467	101
1930-31	14,918	5,226	1,655	1,589	2,386	1,900	27,674	98
1931-32	8,163	4,007	1,271	1,846	1,733	2,081	29,101	103
1932-33	13,914	4,656	991	1,776	195	1,813	25,345	90
1933-34	14,029	5,108	1,715	1,844	2,673	3,005	28,374	100
1934-35	10,638	4,857	1,511	1,772	1,078	3,755	25,611	90
1935-36	11,727	5,972	1,707	2,313	2,410	4,447	28,576	99
1936-37	13,806	6,347	1,821	3,550	3,741	4,583	33,848	120
1937-38	20,765	(a) 5,779	2,202	3,782	3,083	5,266	40,877	145
1938-39	13,321	(a) 5,051	1,668	3,870	2,300	5,120	31,300	111
1939-40	13,147	(a) 4,909	1,738	4,050	1,900	5,155	30,899	109
1940-41 †	13,966	(a) 6,080	1,896	4,300	2,300	4,442	32,689	116
1941-42	11,844	(a) 6,223	1,650	4,000	2,400	5,060	30,772	109
1942-43	..	(a) 4,702	..	..	..	..	..	90
1943-44	..	(a) 5,259	..	..	..	..	..	100
1944-45	..	(a) 3,498	..	..	..	..	..	67
1945-46	..	(a) 3,530	..	..	..	..	..	68

† 400-lb. bales.

(a) Excludes Burma.

Estimates.

NOTE.—Figures taken from the "Bombay Cotton Annual" issued by the East India Cotton Association.

TABLE No. 5.

## PRODUCTION AND CONSUMPTION OF RAW COTTON IN INDIA.

The following statement compares the estimates of the total outturn of cotton in India for the last two years with the sum of exports and internal consumption. The figures are those compiled by the Indian Central Cotton Committee and refer in the case of mills in British provinces to Indian cotton alone. The estimate of mill consumption in Indian States refers to all cotton, but it has been ascertained from the Indian Central Cotton Committee that the amount of foreign cotton consumed in Indian States is negligible. Import figures have not therefore been taken into consideration for the purposes of the comparison set forth below. A conventional estimate has as usual been made for extra factory or local consumption. It should be borne in mind that estimates of the "Carry-over" from one year to another have not been taken into account owing to complete information not being available regarding stocks.

	YEAR ENDING 31ST AUGUST	
	1945. Thousand bales (400 lbs.)	1946. Thousand bales (400 lbs.)
Exports to United Kingdom .. .. .	188	133
„ to United States of America .. .. .	142	245
„ to Australia .. .. .	18	31
„ to Other Countries .. .. .	61	631
Total .. .. .	409	1,040
Home Consumption—		
Mills† .. .. .	4,159	3,871
Extra—factory or local‡ .. .. .	450	450
Total .. .. .	4,609	4,321
Approximate crop .. .. .	5,018	5,361
Estimated in forecast .. .. .	3,498	3,530
Excess (+) or deficit (—) neglecting carry-over .. .. .	+1,520	+1,831

† The figure of mill consumption is that compiled by the Indian Central Cotton Committee, Bombay, mainly on the basis of returns made under the Indian Cotton Cess Act.

‡ Conventional estimate.

TABLE No. 6.

STATEMENT SHOWING THE STOCKS OF COTTON HELD BY INDIAN MILLS ON  
1ST AUGUST 1946 AND ON 1ST FEBRUARY 1947.

(In bales regardless of weight.)

	Bombay City and Island.		All-India.	
	1-8-46.	1-2-47.	1-8-46.	1-2-47.
<b>COTTON MILL STOCKS.</b>				
(In actual bales regardless of weight.)				
(a) American (Linters and waste not included) .. .. .	636	1,679	2,951	4,413
(b) Indian .. .. .	464,862	360,936	1,856,761	1,470,950
(c) Egyptian .. .. .	17,159	19,208	62,829	64,367
(d) Sundries .. .. .	76,711	92,697	151,167	186,342
Total .. .. .	559,368	474,520	2,073,708	1,726,072

Figures from the Cotton Census collected at the request of the International Federation of Master Cotton Spinners' and Manufacturers' Associations.

(Figures are approximations.)



TABLE No. 7.

The following Table gives details of cotton arrivals into Bombay during the 1945-46 season compared with the total of the nine previous years.

(Actual weight converted into bales of 3½ cwts. each.) (Season ending 31st August in each case.)

Note.—The following figures are extracted from the daily returns issued by the Bombay Chamber of Commerce.

	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.	1942-43.	1943-44.	1944-45.	1945-46.
Khandeish .. .. .	206,505	53,986	38,888	55,644	100,995	88,592	117,165	61,592	50,147	66,620
Central India .. .. .	338,845	53,231	225,421	109,361	149,983	31,284	55,637	59,783	33,656	71,985
Barsi Nagar and Hyderabad Gaorani .. .. .	276,179	190,816	100,781	162,127	175,952	74,862	63,511	66,193	105,668	139,058
Berar .. .. .	570,602	335,987	163,102	318,618	386,742	179,814	207,968	257,393	235,529	289,954
Central Provinces .. .. .	114,551	87,123	40,080	76,962	78,308	87,565	34,409	51,048	55,008	62,812
Dholeras .. .. .	183,099	160,279	278,134	89,297	102,458	34,832	6,897	70,051	134,056	348,726
N. W. Provinces .. .. .	10,399	3,112	10,893	26,079	2,049	1,425	1,377	811	742	4,823
Rajputana .. .. .	97,443	16,929	82,019	35,228	6,778	470	44	1,082	3,946	35,689
Sind-Punjab .. .. .	354,809	528,924	340,866	387,570	578,393	448,967	779,428	410,414	558,471	501,867
Broach .. .. .	343,200	287,780	415,085	409,044	299,943	321,774	126,986	334,624	161,742	198,737
Compta Dharwar .. .. .	74,887	86,276	155,706	53,357	155,178	54,332	89,597	41,322	84,193	52,369
Western Northern .. .. .	40,743	30,522	99,914	38,178	113,567	48,003	23,082	41,238	82,526	66,749
Cochin .. .. .	155	23	98	86	239	..	..	..	..	..
Tinnevely and Cambodia .. .. .	22,333	9,639	2,677	1,412	16,998	21,873	15,587	1,208	13,674	10,776
Perians .. .. .	14	..	..	..	..	..	..	..	..	..
Americans .. .. .	20,546	178,188	3,487	105,532	2,180	..	..	..	13,339	40,423
Egyptians .. .. .	181,525	207,314	158,340	180,112	370,821	261,730	368,121	320,905	375,172	362,476
East Africans .. .. .	284,248	341,809	238,889	196,543	205,292	296,871	134,578	188,118	149,107	250,206
Comilla, Burmah and Other Sorts .. .. .	246	1,240	267	2,807	1,087	11,426	1,084	2,712	4,109	20,555
<b>TOTAL .. .. .</b>	<b>3,129,329</b>	<b>2,553,178</b>	<b>2,354,647</b>	<b>2,247,957</b>	<b>2,836,943</b>	<b>1,963,810</b>	<b>2,025,471</b>	<b>1,678,494</b>	<b>2,051,055</b>	<b>2,523,524</b>

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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.	CLOTH STOCKS IN BALES.			YARN 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.
1943.						
January 31st .. .. .	59,000	7,000	66,000	9,000	2,000	11,000
February 28th .. .. .	63,000	7,000	70,000	8,000	2,000	10,000
March 31st .. .. .	57,000	8,000	65,000	9,000	2,000	11,000
April 30th .. .. .	62,000	9,000	71,000	12,000	2,000	14,000
May 31st .. .. .	70,000	9,000	79,000	13,000	2,000	15,000
June 30th .. .. .	82,000	14,000	96,000	14,000	3,000	17,000
July 31st .. .. .	75,000	13,000	88,000	17,000	3,000	20,000
August 31st .. .. .	76,000	13,000	89,000	19,000	3,000	22,000
September 30th .. .. .	85,000	7,000	92,000	14,000	3,000	17,000
October 31st .. .. .	78,000	6,000	84,000	14,000	2,000	16,000
November 30th .. .. .	59,000	5,000	64,000	10,000	2,000	12,000
December 31st .. .. .	53,000	4,000	57,000	10,000	2,000	12,000
1944.						
January 31st .. .. .	60,000	5,000	65,000	12,000	2,000	14,000
February 28th .. .. .	54,000	5,000	59,000	11,000	1,000	12,000
March 31st .. .. .	52,000	5,000	57,000	12,000	1,000	13,000
April 30th .. .. .	63,000	7,000	70,000	13,000	1,000	14,000
May 31st .. .. .	60,000	7,000	67,000	12,000	1,000	13,000
June 30th .. .. .	61,000	11,000	72,000	8,000	4,000	12,000
July 31st .. .. .	58,000	17,000	75,000	7,000	5,000	12,000
August 31st .. .. .	61,000	10,000	71,000	8,000	2,000	10,000
September 30th .. .. .	64,000	8,000	72,000	9,000	3,000	12,000
October 31st .. .. .	57,000	9,000	66,000	10,000	2,000	12,000
November 30th .. .. .	65,000	9,000	74,000	10,000	2,000	12,000
December 31st .. .. .	65,000	9,000	74,000	8,000	3,000	11,000
1945.						
January 31st .. .. .	54,000	9,000	63,000	10,000	2,000	12,000
February 28th .. .. .	60,000	8,000	68,000	11,000	3,000	14,000
March 31st .. .. .	61,000	6,000	67,000	10,000	4,000	14,000
April 30th .. .. .	63,000	7,000	70,000	12,000	4,000	16,000
May 31st .. .. .	60,000	8,000	68,000	13,000	4,000	17,000
June 30th .. .. .	67,000	9,000	76,000	12,000	4,000	16,000
July 31st .. .. .	67,000	6,000	73,000	10,000	6,000	16,000
August 31st .. .. .	65,000	9,000	74,000	10,000	5,000	15,000
September 30th .. .. .	77,000	11,000	88,000	11,000	7,000	18,000
October 31st .. .. .	79,000	12,000	91,000	13,000	7,000	20,000
November 30th .. .. .	63,000	7,000	70,000	12,000	7,000	19,000
December 31st .. .. .	64,000	9,000	73,000	11,000	6,000	17,000
1946.						
January 31st .. .. .	60,000	9,000	69,000	9,000	5,000	14,000
February 28th .. .. .	55,000	8,000	63,000	8,000	6,000	14,000
March 31st .. .. .	49,000	7,000	56,000	8,000	6,000	14,000
April 30th .. .. .	50,000	8,000	58,000	9,000	5,000	14,000
May 31st .. .. .	44,000	10,000	54,000	8,000	5,000	13,000
June 30th .. .. .	45,000	9,000	54,000	8,000	5,000	13,000
July 31st .. .. .	54,000	12,000	66,000	8,000	6,000	14,000
August 31st .. .. .	69,000	14,000	83,000	9,000	6,000	15,000
September 30th .. .. .	57,000	10,000	67,000	9,000	6,000	15,000
October 31st .. .. .	48,000	7,000	55,000	11,000	4,000	15,000
November 30th .. .. .	39,000	6,000	45,000	9,000	6,000	15,000
December 31st .. .. .	39,000	7,000	46,000	9,000	6,000	15,000

TABLE No. 10.  
AVERAGE WHOLESALE PRICES OF PIECEGOODS AND YARN  
PRODUCED BY BOMBAY MILLS

Date.	PIECEGOODS.			YARN.	
	Longcloth.	T. Cloths.	Chadars.	Twist. No. 10's.	Twist. No. 20's.
	As.	As.	As.	As.	As.
Year ending December 31st, 1905 ..	9.39	9.56	9.30	5 29/32	7.0
Year ending December 31st, 1906 ..	9.45	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	6½
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	10½	9½	7 5/32	8½
Year ending December 31st, 1913 ..		Not Available.			
Year ending December 31st, 1914 ..	9½	9 3/16	9 5/16	5½	6 22/32
Year ending December 31st, 1915 ..	9 1/16	8 7/16	8 7/16	5	6 1/32
Year ending December 31st, 1916 ..	11½	11½	10½	6 7/16	8 9/32
Year ending December 31st, 1917 ..	17½	16 3/16	14 15/16	9 7/16	12 29/32
Year ending December 31st, 1918 ..	29½	26½	25½	16 29/32	20 31/32
Year ending December 31st, 1919 ..	26½	24 9/16	24½	16 19/32	21 3/16
Year ending December 31st, 1920 ..	29½	27½	27 9/16	16 11/16	24½
Year ending December 31st, 1921 ..	26 3/16	24½	24 5/16	12 9/32	17
Year ending December 31st, 1922 ..	25 11/32	22½	23½	12½	16 15/16
Year ending December 31st, 1923 ..	21½	19 15/16	19 13/16	12 1/16	15 19/32
Year ending December 31st, 1924 ..	22½	21½	20 9/16	14½	17 11/32
Year ending December 31st, 1925 ..	19½	18 9/16	18½	12 3/32	13 31/32

TABLE No. 10—contd.

AVERAGE WHOLESALE PRICES OF GREY UNBLEACHED PIECEGOODS IN 1946.

	Longcloth Standard Quality 37×37½×9 Per lb.	Shirtings 35×38×9 Per lb.	Leopard Cloth 43×38×11½ Per lb.	Dhories (up to ½" Nakhi border), 32×9×1½ Per lb.	Dhories Calcutta ½" P.B. 44×10×1½ Per lb.	Drills 20½×40×13½ Per lb.	Domestics 24×48×10 Per lb.	Domestics 26×61×11 Per lb.	Salita 40×66×25 Per lb.	Chadars 50×6×2½ Per lb.
	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, 1930	0 12 9	0 12 2	.....	0 13 5	.....	0 10 5	0 12 9	0 12 3	0 11 11	0 12 6
Year ending 31st December, 1931	0 11 3	0 10 6	.....	0 11 6	.....	0 9 3	0 11 6	0 11 0	0 10 6	0 11 0
Year ending 31st December, 1932	0 11 0	0 10 6	.....	0 11 1	.....	0 8 10	0 10 6	0 10 7	0 10 6	0 10 9
Year ending 31st December, 1933	0 10 4	0 9 9	.....	0 10 6	.....	0 8 5	0 9 7	0 10 0	0 9 10	0 10 1
Year ending 31st December, 1934	0 10 3	0 9 9	.....	0 10 5	.....	0 8 6	0 10 3	0 10 5	0 9 9	0 10 1
Year ending 31st December, 1935	0 10 0	0 9 9	0 9 7	0 10 0	0 14 6	0 8 5	0 8 5	0 8 7	0 10 0	0 10 1
Year ending 31st December, 1936	0 9 8	0 9 3	0 9 3	0 9 8	0 14 2	0 8 2	0 8 1	0 8 2	Not quoted	0 9 8
Year ending 31st December, 1937	0 9 9	0 9 4	0 9 5	0 10 1	0 14 9	0 8 5½	0 8 3	0 8 2	"	0 9 9
Year ending 31st December, 1938	0 9 6	0 9 1	0 9 2	0 10 3	0 14 4	0 7 9	0 8 0	0 7 10	"	0 9 8
Year ending 31st December, 1939	0 9 4	0 9 0	0 8 11	0 9 11	0 15 2	0 7 9	0 7 8	0 7 6	"	0 9 5
Year ending 31st December, 1940	0 10 8	0 10 2	0 10 3	0 10 3	1 0 6	0 9 1	0 9 4	0 8 11	0 10 2	0 10 5
Year ending 31st December, 1941	0 15 6	0 14 7	0 14 9	0 14 11	1 4 10	0 14 5	0 13 10	0 15 9	0 14 9	1 0 0
Year ending 31st December, 1942	1 6 8	1 6 1	1 6 3	1 7 7	2 4 0	1 6 0	1 4 2	1 6 4	1 6 8	1 7 8
Year ending 31st December, 1943	2 6 3	2 4 3	2 1 11	2 6 8	3 14 3	2 3 2	2 3 0	2 2 6	2 5 6	2 8 0
Year ending 31st December, 1944	.....	1 10 8	1 11 7	.....	2 12 0	1 8 2	1 11 9	1 8 6	1 10 8	.....
Year ending 31st December, 1945	.....	1 7 6	1 8 0	1 7 6	2 7 0	1 5 3	Not quoted	1 5 4	1 8 1	.....
11th January, 1946	Not quoted	1 6 0	Not quoted	1 6 5	Not quoted	1 4 3	"	Not quoted	1 7 0	Not quoted
25th January, 1946	"	1 6 0	"	1 6 5	"	1 4 3	"	"	1 7 0	"
8th February, 1946	"	1 6 0	"	1 6 7	"	1 4 3	"	"	1 7 0	"
22nd February, 1946	"	1 6 0	1 6 6	1 6 7	"	1 4 3	"	"	1 7 0	"
8th March, 1946	"	1 6 0	1 6 6	1 6	"	1 4 3	"	"	1 7 0	"
22nd March, 1946	"	1 6 0	1 6 6	1 6 7	2 4 0	1 4 3	"	"	1 7 0	"
5th April, 1946	"	1 6 0	1 6 6	1 6 7	2 4 0	1 4 3	"	"	1 7 0	"
18th April, 1946	"	1 6 0	1 6 6	1 6 7	2 4 0	1 4 3	"	"	1 7 0	"
3rd May, 1946	"	1 6 0	1 6 6	1 6 7	2 4 0	1 4 3	"	"	1 7 0	"
17th May, 1946	"	1 6 0	1 6 6	1 6 7	2 4 0	1 4 3	"	"	1 7 0	"
31st May, 1946	"	1 6 0	1 6 6	1 6 7	2 4 0	1 4 3	"	"	1 7 0	"
14th June, 1946	"	1 6 0	1 6 6	1 6 7	2 4 0	1 4 3	"	"	1 7 0	"
28th June, 1946	"	1 6 0	1 6 6	1 6 7	2 4 0	1 4 3	"	"	1 7 0	"
12th July, 1946	"	1 6 0	1 6 6	1 6 7	2 4 0	1 4 3	"	"	1 7 0	"
26th July, 1946	"	1 6 0	1 6 6	1 6 7	2 4 0	1 4 3	"	"	1 7 0	"
9th August, 1946	"	1 6 0	1 6 6	Not quoted	2 4 0	1 4 3	"	"	1 7 0	"
23rd August, 1946	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
6th September, 1946	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
20th September, 1946	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
4th October, 1946	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
18th October, 1946	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
1st November, 1946	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
15th November, 1946	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
29th November, 1946	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
13th December, 1946	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"
27th December, 1946	"	1 6 0	1 6 6	"	2 4 0	1 4 3	"	"	1 7 0	"

NOTE.—Prices extracted from the current quotations issued by the Association.

AVERAGE WHOLESALE PRICES FOR WHITE PIECEGOODS AND GREY YARN IN 1946.

Year ending	WHITE BLEACHED.		YARN (Price per lb.)												
	Long-cloth 34 x 40	Drill 27 x 42 Per Piece.	4s. All Waste.	6½s. All Waste.	8½s.	10½s.	12½s.	16s.	20s.	24s.	32s.	40s.	60s.	80s.	
	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.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
31st December, 1930				0 5 7	0 6 5	0 6 10	0 7 3	0 8 6	0 9 2	0 9 9					
Do. 1931				0 4 3	0 5 3	0 5 8	0 6 0	0 7 5	0 7 5	0 8 0					
Do. 1932				0 4 4	0 5 6	0 6 1	0 6 4	0 7 4	0 7 10	0 8 7					
Do. 1933				0 3 10	0 4 11	0 5 4	0 5 8	0 6 5	0 7 0	0 8 4					
Do. 1934				0 4 2	0 4 11	0 5 3	0 5 7	0 6 7	0 7 1	0 7 10					
Do. 1935				0 4 0	0 5 5	0 5 10	0 6 2	0 7 6	0 8 1	0 8 9	0 9 6				
Do. 1936	9 14 10	8 1 11	0 3 6	0 3 11	0 5 1	0 5 7	0 6 10	0 7 5	0 7 5	0 8 9	0 9 4				
Do. 1937	10 9 1	8 4 9	0 3 10	0 4 6	0 5 7	0 6 0	0 6 4	0 7 2	0 7 9	0 8 9	0 9 7				
Do. 1938	10 6 5	7 15 1	0 3 6	0 3 10	0 4 9	0 5 2	0 5 5	0 6 3	0 6 11	0 7 7	0 8 9	0 11 0	1 0 0	1 4 6	
Do. 1939	10 5 11	7 10 6	0 3 2	0 3 8	0 4 7	0 5 0	0 5 4	0 6 1	0 6 8	0 7 4	0 8 9	0 10 11	1 2 0	1 6 10	
Do. 1940	12 8 7	9 6 3	0 4 3	0 4 8	0 5 10	0 6 5	0 6 9	0 7 11	0 8 6	0 9 2	0 9 7	Not quoted	1 0 3	1 5 9	
Do. 1941	16 14 1	12 15 1	0 5 3	0 5 6	0 7 8	0 8 3	0 8 7	0 11 2	0 12 3	0 13 0	0 13 0	0 9 10	0 13 10	1 4 11	
Do. 1942	24 11 1	19 3 2	0 7 3	0 7 6	0 11 3	0 12 3	0 12 2	1 0 8	1 1 7	1 4 8	1 0 7	0 11 2	1 0 11	1 8 11	
Do. 1943	37 7 8	33 15 1	0 10 10	0 11 9	1 2 4	1 4 2	1 7 0	1 12 5	1 15 2	2 6 1	1 0 7	0 12 8	1 13 9	2 5 11	
Do. 1944	29 15 0	Not quoted	1 4 5	0 9 5	0 14 5	0 15 3	0 15 10	1 3 6	1 4 4	2 6 1	1 4 11	Not quoted	2 14 8	3 9 5	
Do. 1945	22 4 8		0 7 3	0 7 9	Not quoted	0 12 7	0 13 1	0 15 11	1 0 11	Not quoted	Not quoted	Not quoted	Not quoted	Not quoted	
11th January, 1946	Not quoted		0 7 3	0 7 9		0 11 9	0 12 0	0 14 6	1 0 0						
25th January, 1946			0 7 3	0 7 9		0 11 9	0 12 0	0 14 6	1 0 0						
8th February, 1946			0 7 3	0 7 9		0 11 9	0 12 0	0 14 6	1 0 0						
22nd February, 1946			0 7 3	0 7 9		0 11 9	0 12 0	0 14 6	1 0 0						
8th March, 1946			0 7 3	0 7 9		0 11 9	0 12 0	0 14 6	1 0 0						
22nd March, 1946			0 6 4	0 6 9	0 9 8	0 11 8	0 12 1	0 15 5	1 0 2						
5th April, 1946			0 6 4	0 6 9	0 9 8	0 11 8	0 12 1	0 15 5	1 0 2						
18th April, 1946			0 8 0	0 8 6	Not quoted	Not quoted	Not quoted	1 1 0	1 1 9						
3rd May, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
17th May, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
31st May, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
14th June, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
28th June, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
12th July, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
26th July, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
9th August, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
23rd August, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
6th September, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
20th September, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
4th October, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
18th October, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
1st November, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
15th November, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
29th November, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
13th December, 1946			0 8 0	0 8 6				1 1 0	1 1 9						
27th December, 1946			0 8 0	0 8 6				1 1 0	1 1 9						

TABLE NO. 11.

EXCHANGE VARIATIONS IN 1946 FOR TELEGRAPHIC TRANSFERS, DEMAND  
DRAFTS AND THE PRICE OF SILVER.

1946.		Bombay/ London. Selling T. T. Rate.	Bombay/ Yokohama Per 100 yens Selling T. T. Rate.	Bombay/ Hongkong Per 100 dollars Selling D.D. Rate.	Bombay/ Shanghai Per 100 dollars. Selling D.D. Rate.	Bombay/ New York Per 100 dollars. Selling D.D. Rate.	Price in Bombay for 100 tolas of ready silver.	
		£	Rs.	Rs.	Rs.	Rs.	Rs. a. p.	
Jany.	Highest	1/5	31/32	Not quoted	84	Not quoted	332½	143 12 0
	Lowest	1/5	31/32	"	"	"	332½	135 5 0
Febry.	Highest	1/5	31/32	"	"	"	332½	149 14 0
	Lowest	1/5	31/32	"	"	"	332½	140 11 0
March	Highest	1/5	31/32	"	"	"	332½	161 6 0
	Lowest	1/5	31/32	"	"	"	332½	143 0 0
April	Highest	1/5	31/32	"	"	"	332½	167 11 0
	Lowest	1/5	31/32	"	"	"	332½	161 0 0
May	Highest	1/5	31/32	"	"	"	332½	196 0 0
	Lowest	1/5	31/32	"	"	"	332½	165 12 0
June	Highest	1/5	31/32	"	"	"	332½	185 0 0
	Lowest	1/5	31/32	"	"	"	332½	169 4 0
July	Highest	1/5	31/32	"	"	"	332½	171 0 0
	Lowest	1/5	31/32	"	"	"	332½	150 8 0
Aug.	Highest	1/5	31/32	"	"	"	332½	171 7 0
	Lowest	1/5	31/32	"	"	"	332½	160 10 0
Sept.	Highest	1/5	31/32	"	"	"	332½	172 14 0
	Lowest	1/5	31/32	"	"	"	332½	162 10 0
Octr.	Highest	1/5	31/32	"	"	"	332½	172 0 0
	Lowest	1/5	31/32	"	"	"	332½	167 7
Nov.	Highest	1/5	31/32	"	"	"	332½	161 2 0
	Lowest	1/5	31/32	"	"	"	332½	127 8 0
Deer.	Highest	1/5	31/32	"	"	"	332½	159 10 0
	Lowest	1/5	31/32	"	"	"	332½	132 8 0

NOTE.—These figures were supplied by Messrs. Premchand Roychand & Sons, Exchange Brokers, Bombay

TABLE NO. 12.

STATEMENT SHOWING THE QUANTITY OF YARN SPUN IN INDIA.

( In thousands of pounds.)

	Calendar Year 1927.	Calendar Year 1928. §	Calendar Year 1929. §	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	9 Months Jan. to Sept. 1946.
<b>BRITISH INDIA—</b>																				
1 to 10 .. .. .	104,801	54,412	94,387	101,283	104,200	104,901	96,691	95,879	97,741	97,326	91,727	116,046	111,091	102,528	125,378	143,112	141,348	150,675	166,013	105,817
11 to 20 .. .. .	353,501	250,954	322,659	338,667	362,721	406,845	378,659	369,876	388,152	393,351	378,110	428,388	432,019	476,449	622,316	658,663	725,826	693,112	694,488	410,702
21 to 30 .. .. .	240,298	181,581	233,096	233,630	253,019	272,051	229,891	239,129	247,875	238,325	249,465	288,765	278,887	257,155	279,709	267,108	316,774	297,307	291,952	190,572
31 to 40 .. .. .	29,808	33,066	43,185	53,411	64,251	73,071	66,314	82,395	102,461	106,003	138,703	156,584	146,353	145,112	157,504	142,387	151,125	158,108	145,967	103,733
Above 40 .. .. .	11,685	9,200	13,839	22,751	31,987	34,245	34,040	39,018	51,953	51,409	75,528	85,266	78,042	77,104	97,228	66,713	74,309	85,871	78,352	75,581
Wastes .. .. .	5,925	5,227	6,375	5,983	4,891	5,346	5,349	5,669	5,360	7,537	9,692	12,973	14,177	14,806	18,699	17,509	17,754	19,504	22,563	14,458
<b>TOTAL .. .. .</b>	<b>745,819</b>	<b>534,442</b>	<b>713,543</b>	<b>755,725</b>	<b>821,069</b>	<b>896,459</b>	<b>810,945</b>	<b>831,766</b>	<b>893,182</b>	<b>893,951</b>	<b>943,225</b>	<b>1,088,021</b>	<b>1,060,569</b>	<b>1,073,154</b>	<b>1,300,834</b>	<b>1,295,492</b>	<b>1,427,136</b>	<b>1,404,577</b>	<b>1,399,345</b>	<b>900,813</b>
<b>INDIAN STATES—</b>																				
1 to 10 .. .. .	7,911	8,756	10,421	11,150	12,997	13,222	10,742	12,994	13,088	14,580	16,907	18,831	18,449	16,241	19,498	22,581	23,260	22,053	22,415	17,579
11 to 20 .. .. .	49,643	48,966	55,315	64,166	66,102	75,467	72,969	82,887	87,706	96,231	103,191	114,934	120,395	121,705	148,320	145,751	160,172	146,852	154,063	100,712
21 to 30 .. .. .	24,064	27,334	30,815	31,603	31,309	33,248	30,226	34,838	38,272	36,610	41,559	47,191	45,631	45,459	48,539	47,310	52,978	48,869	48,204	34,640
31 to 40 .. .. .	1,835	2,304	2,534	3,245	3,971	4,495	6,818	8,805	8,706	7,810	9,749	11,133	10,848	12,285	12,916	11,395	13,883	12,473	12,146	9,395
Above 40 .. .. .	212	254	373	661	1,174	1,749	2,435	3,289	4,694	5,857	5,758	6,347	6,805	5,948	6,843	5,580	5,604	6,850	6,044	6,741
Wastes .. .. .	484	256	268	275	283	283	297	293	293	289	441	1,078	1,513	1,052	872	880	1,360	1,138	1,114	1,071
<b>TOTAL .. .. .</b>	<b>84,149</b>	<b>87,870</b>	<b>99,726</b>	<b>111,300</b>	<b>115,835</b>	<b>128,465</b>	<b>123,486</b>	<b>143,105</b>	<b>153,029</b>	<b>161,177</b>	<b>177,605</b>	<b>199,514</b>	<b>203,441</b>	<b>202,690</b>	<b>236,977</b>	<b>233,497</b>	<b>257,257</b>	<b>238,235</b>	<b>243,866</b>	<b>170,138</b>
<b>GRAND TOTAL, BRITISH INDIA AND INDIAN STATES—</b>																				
1 to 10 .. .. .	112,512	83,168	104,809	112,432	117,197	118,123	107,432	108,673	110,830	111,905	108,634	134,877	129,539	118,769	144,865	165,693	164,608	172,728	188,428	122,896
11 to 20 .. .. .	403,144	299,920	377,974	402,833	428,823	482,312	451,629	452,762	475,859	489,582	481,901	543,322	552,414	598,154	770,636	804,414	885,998	839,964	848,561	511,414
21 to 30 .. .. .	264,382	208,915	269,913	265,233	284,328	305,298	260,117	273,966	286,147	274,935	291,024	335,956	324,518	302,614	328,248	314,418	369,752	346,176	340,156	225,212
31 to 40 .. .. .	31,643	35,370	45,719	56,657	68,222	77,566	73,132	91,201	111,166	113,813	148,452	167,717	157,201	157,397	170,420	153,782	165,008	170,581	158,113	113,128
Above 40 .. .. .	11,899	9,454	14,212	23,612	33,161	35,994	36,475	42,307	56,557	57,066	81,286	91,613	84,647	83,052	104,071	72,293	79,913	92,721	84,396	82,272
Wastes .. .. .	6,409	5,483	6,643	6,258	5,174	5,630	5,646	5,962	5,653	7,826	10,133	14,050	15,690	15,858	19,571	18,389	19,114	20,642	23,677	15,520
<b>GRAND TOTAL .. .. .</b>	<b>829,968</b>	<b>622,312</b>	<b>813,269</b>	<b>867,025</b>	<b>936,904</b>	<b>1,024,924</b>	<b>934,431</b>	<b>974,871</b>	<b>1,046,212</b>	<b>1,055,129</b>	<b>1,120,830</b>	<b>1,287,535</b>	<b>1,264,010</b>	<b>1,275,843</b>	<b>1,537,811</b>	<b>1,528,989</b>	<b>1,684,393</b>	<b>1,642,812</b>	<b>1,643,331</b>	<b>1,070,451*</b>

365

\* Figures are for 9 months.

§ During the year 1928 all the mills in the City and Island of Bombay were closed for about 6 months and for about 4½ months during 1929.



TABLE No. 13

STATEMENT SHOWING THE QUANTITY OF YARN SPUN IN BOMBAY CITY AND ISLAND.

(In thousands of pounds.)

Descriptions.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	Calendar Year 1946.
Nos. 1 to 10 ..	66,995	28,436	54,055	54,381	53,321	52,094	44,725	37,822	43,497	37,566	36,221	44,022	34,973	31,463	47,348	52,851	55,471	53,350	61,643	49,324
Nos. 11 to 20 ..	142,755	58,298	105,766	103,861	115,740	128,178	97,266	90,480	112,848	105,349	103,152	115,441	101,048	119,558	219,135	240,132	265,770	265,308	274,610	198,706
Nos. 21 to 30 ..	110,397	48,697	81,295	85,229	101,541	103,225	76,754	76,990	94,587	80,129	94,655	115,770	104,441	85,533	101,909	92,964	116,928	109,304	97,284	80,961
Nos. 31 to 40 ..	11,290	8,024	12,891	20,517	27,206	33,468	22,040	27,200	37,685	34,372	51,136	57,874	50,203	48,482	54,589	46,573	47,201	47,885	46,815	48,440
Above 40 ..	5,306	2,769	4,768	9,053	12,351	13,487	10,180	13,514	18,702	18,729	28,696	33,458	27,584	24,930	29,604	23,493	24,743	31,282	27,263	30,384
Wastes, etc. ..	1,204	628	967	576	745	655	796	1,148	803	833	504	827	1,189	1,041	1,741	1,745	1,522	1,706	2,034	1,879
<b>TOTAL ..</b>	<b>337,948</b>	<b>146,853</b>	<b>259,741</b>	<b>273,617</b>	<b>310,903</b>	<b>331,108</b>	<b>251,762</b>	<b>247,154</b>	<b>308,122</b>	<b>270,987</b>	<b>314,363</b>	<b>367,393</b>	<b>319,439</b>	<b>311,008</b>	<b>454,326</b>	<b>457,758</b>	<b>511,635</b>	<b>508,835</b>	<b>509,649</b>	<b>409,694</b>

\* Please see footnote to table 12 regarding strikes in Bombay Mills.

TABLE No. 14.

## DETAILED STATEMENT OF THE QUANTITY AND DESCRIPTION OF WOVEN GOODS PRODUCED IN INDIAN MILLS.

GRAND TOTAL, INDIA (British India and Indian States).

(Figures in thousands.)

Description.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	9 Months Jan. to Sept. 1946.	
<b>GREY AND BLEACHED PIECEGOODS</b>																					
Chadars .. .. .	Yards ..	66,659	55,669	65,342	57,500	54,520	59,690	54,161	59,115	57,848	67,764	66,126	71,898	76,242	59,633	58,808	37,002	41,626	51,157	38,334	32,816
Dhutis .. .. .	Yards ..	614,199	551,131	728,656	829,348	941,999	1,050,443	999,908	1,073,325	1,220,306	1,156,289	1,145,572	1,447,396	1,301,073	1,129,092	964,358	723,111	1,023,608	1,037,815	1,144,415	947,853
Drills and Jeans .. .. .	Yards ..	90,872	73,668	98,330	80,327	100,232	115,224	105,346	117,120	126,087	135,477	160,637	140,398	123,947	158,931	234,578	212,308	202,691	227,813	195,418	135,568
Cambrics and Lawns .. .. .	Yards ..	4,988	5,204	3,132	17,236	37,574	68,582	70,925	112,652	132,317	115,635	181,549	170,394	181,433	240,183	289,818	223,546	243,171	265,123	183,403	94,402
Printers .. .. .	Yards ..	20,876	21,630	13,751	19,294	21,764	16,008	18,403	18,922	19,138	12,300	23,221	18,033	15,690	17,248	14,528	20,880	26,031	26,518	40,990	20,725
Shirtings and Longcloth .. .. .	Yards ..	612,076	466,134	581,417	605,150	769,607	787,789	714,840	827,316	845,047	856,409	1,062,830	1,061,792	1,038,227	950,843	1,077,295	1,034,516	1,340,736	1,369,937	1,208,806	786,602
T-cloth, Domestic and Sheetings	Yards ..	93,233	72,057	90,270	104,404	149,956	158,257	129,787	158,623	155,074	158,327	192,833	185,375	179,490	172,262	211,989	218,989	249,461	255,884	256,142	181,429
Tent Cloth .. .. .	Yards ..	5,980	6,791	7,458	9,268	5,126	6,405	5,357	5,777	7,107	9,369	10,978	13,921	20,486	93,236	111,417	167,926	147,547	158,154	113,221	22,198
Khadi, Dungi or Khaddar .. .. .	Yards ..	118,738	83,226	123,329	135,978	124,074	117,947	96,127	101,629	113,861	124,456	124,602	125,534	107,338	83,547	79,162	66,355	76,517	80,944	90,079	73,606
Other Sorts .. .. .	Yards ..	43,252	33,573	41,960	39,587	49,532	59,103	62,771	76,982	79,357	90,661	119,788	130,827	139,205	165,155	287,376	263,456	280,528	257,691	252,877	179,009
<b>TOTAL</b> .. .. .	<b>Yards ..</b>	<b>1,675,853</b>	<b>1,374,083</b>	<b>1,756,844</b>	<b>1,927,791</b>	<b>2,253,779</b>	<b>2,439,447</b>	<b>2,257,422</b>	<b>2,551,441</b>	<b>2,756,120</b>	<b>2,726,687</b>	<b>3,078,079</b>	<b>3,368,558</b>	<b>3,183,130</b>	<b>3,070,128</b>	<b>3,328,729</b>	<b>2,968,089</b>	<b>3,631,916</b>	<b>3,731,036</b>	<b>3,523,785</b>	<b>2,474,203</b>
Coloured Piecegoods .. .. .	Yards ..	695,996	488,149	600,741	566,315	646,703	783,775	686,002	734,366	798,014	801,711	872,078	936,552	932,865	1,022,039	1,201,949	1,056,637	1,117,580	1,118,957	1,187,863	643,907
Grey and Coloured Goods other than Piecegoods .. .. .	Dozens ..	956	781	1,155	913	782	911	900	920	1,174	1,196	1,575	1,409	1,667	1,748	3,183	1,760	1,816	2,160	2,494	852
Cotton Goods mixed with Silk or Wool .. .. .	Pounds ..	4,278	3,448	3,382	3,514	3,389	1,940	1,477	3,443	4,540	5,587	8,119	6,232	9,100	10,741	10,437	3,013	2,462	2,088	925	452
<b>Grand Total exclusive of last two items</b> .. .. .	<b>Yards ..</b>	<b>1,800,232</b>	<b>1,357,985</b>	<b>2,357,985</b>	<b>2,494,106</b>	<b>2,900,482</b>	<b>3,203,223</b>	<b>2,943,423</b>	<b>3,285,807</b>	<b>3,554,134</b>	<b>3,628,399</b>	<b>3,950,157</b>	<b>4,305,110</b>	<b>4,115,995</b>	<b>4,092,168</b>	<b>4,530,678</b>	<b>4,024,726</b>	<b>4,749,496</b>	<b>4,849,993</b>	<b>4,711,648</b>	<b>3,118,110*</b>

(Please see footnotes to table 12 regarding strikes in Bombay Mills in 1928 and 1929.)

\* Figures are for 9 months.

TABLE No. 15.

## DETAILED STATEMENT OF THE QUANTITY AND DESCRIPTION OF WOVEN GOODS PRODUCED IN BOMBAY CITY AND ISLAND.

(Figures in thousands.)

Description of Goods.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	Calendar Year 1946.	
<b>GREY AND BLEACHED GOODS—</b>																					
Ohadars .. .. .	Yds. 31,057	13,644	19,279	18,935	16,576	16,487	16,427	14,406	16,474	16,441	13,160	14,653	13,064	9,554	12,262	8,772	10,593	14,180	8,818	10,640	
Dhuties .. .. .	170,800	80,484	159,927	224,301	278,577	326,893	258,583	247,321	390,158	350,672	323,485	453,591	399,352	316,746	274,482	167,966	245,140	252,376	319,399	361,910	
Drills and Jeans .. .. .	58,202	36,514	55,743	46,294	66,263	71,944	61,017	61,199	62,576	64,868	71,425	71,106	57,280	69,659	116,663	97,510	103,645	139,074	129,714	114,811	
Cambrics and Lawns .. .. .	1,856	2,216	840	4,176	14,706	14,634	13,603	26,789	41,678	35,702	75,716	69,985	63,826	82,427	113,901	90,819	92,626	117,499	82,166	47,305	
Printers .. .. .	..	..	26	13	1,047	933	321	..	..	..	3,796	2,022	530	2	..	..	..	..	12	486	
Shirtings and Longcloths .. .. .	380,759	179,243	272,161	319,384	414,754	436,910	331,573	330,702	387,196	367,825	480,569	470,016	457,793	351,127	380,457	373,585	539,339	545,476	478,843	377,517	
T-Cloths, Domestics and Sheetings .. .. .	46,105	18,233	25,345	33,133	66,817	68,290	55,833	56,407	55,087	61,788	67,603	60,346	55,458	48,126	75,001	84,953	89,348	101,940	111,622	82,888	
Tent Cloth .. .. .	1,330	1,626	1,842	1,644	698	1,205	814	461	1,198	1,488	1,452	2,435	2,036	8,473	16,001	53,881	46,456	50,956	33,528	5,864	
Khadi, Dungri or Khaddar .. .. .	55,340	18,332	34,186	58,677	27,769	15,648	13,831	11,975	11,330	13,442	10,327	3,426	562	79	..	..	2,071	215	48	410	
Other Sorts .. .. .	13,595	8,179	14,581	14,116	18,111	20,835	14,686	18,823	23,964	26,657	36,490	36,680	33,323	45,661	94,042	92,789	83,917	84,907	81,375	70,056	
<b>TOTAL .. .. .</b>	<b>759,044</b>	<b>358,472</b>	<b>583,929</b>	<b>720,674</b>	<b>905,318</b>	<b>973,779</b>	<b>766,687</b>	<b>768,082</b>	<b>989,662</b>	<b>938,884</b>	<b>1,084,024</b>	<b>1,184,260</b>	<b>1,083,225</b>	<b>931,854</b>	<b>1,082,807</b>	<b>970,275</b>	<b>1,213,135</b>	<b>1,306,623</b>	<b>1,246,525</b>	<b>1,071,884</b>	
<b>COLOURED PIECEGOODS .. .. .</b>	<b>Yds. 409,377</b>	<b>186,974</b>	<b>278,103</b>	<b>239,193</b>	<b>268,712</b>	<b>292,969</b>	<b>203,432</b>	<b>178,048</b>	<b>242,956</b>	<b>217,595</b>	<b>236,055</b>	<b>266,494</b>	<b>255,005</b>	<b>270,067</b>	<b>417,145</b>	<b>404,201</b>	<b>394,576</b>	<b>382,190</b>	<b>366,362</b>	<b>282,269</b>	
<b>GREY AND COLOURED GOODS other THAN PIECEGOODS .. .. .</b>	<b>Doz. 656</b>	<b>427</b>	<b>700</b>	<b>458</b>	<b>315</b>	<b>342</b>	<b>316</b>	<b>279</b>	<b>451</b>	<b>374</b>	<b>369</b>	<b>417</b>	<b>426</b>	<b>380</b>	<b>624</b>	<b>307</b>	<b>195</b>	<b>342</b>	<b>350</b>		
<b>COTTON GOODS MIXED with SILK OR WOOL .. .. .</b>	<b>Lbs. 2,105</b>	<b>847</b>	<b>708</b>	<b>1,090</b>	<b>1,749</b>	<b>282</b>	<b>471</b>	<b>1,785</b>	<b>2,700</b>	<b>3,731</b>	<b>5,460</b>	<b>3,579</b>	<b>5,794</b>	<b>6,170</b>	<b>5,899</b>	<b>100</b>	<b>895</b>	<b>944</b>	<b>601</b>		
<b>GRAND TOTAL EXCLUSIVE OF LAST TWO ITEMS .. .. .</b>	<b>Yds. 1,168,421</b>	<b>545,446</b>	<b>862,032</b>	<b>959,867</b>	<b>1,174,030</b>	<b>1,266,748</b>	<b>970,119</b>	<b>946,130</b>	<b>1,232,618</b>	<b>1,156,479</b>	<b>1,320,079</b>	<b>1,450,754</b>	<b>1,338,230</b>	<b>1,201,920</b>	<b>1,499,952</b>	<b>1,374,476</b>	<b>1,607,711</b>	<b>1,688,813</b>	<b>1,612,887</b>	<b>1,354,153</b>	

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.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	Calendar Year 1946.
<b>GREY SINGLES—</b>																				
1s to 10s .. .. .	354	17	103	10	..	..	8	39	..	19	126	559	443	46	1,053	157	..	..	..	..
11s to 15s .. .. .	551	30	6	5	10	10	13	2	..	6	10	4	6	659	6	..	70	..	..	..
16s to 20s .. .. .	1,069	748	838	334	143	660	150	162	81	6	35	6	46	696	112	304	..	..	..	..
21s to 25s .. .. .	140	357	78	49	5	7	11	54	16	1	9	41	18	67	..	..	..	..	3	..
26s to 30s .. .. .	348	127	245	163	425	823	559	641	1,017	1,071	204	297	38	27	..	..	..	1	1	1
31s to 40s .. .. .	25,049	13,826	15,996	14,897	13,025	18,299	15,086	6,100	11,618	7,077	863	4,160	4,147	717	119	334	29	35	34	8
41s to 50s .. .. .	1,324	1,118	937	600	257	419	544	391	460	650	437	178	729	898	30	316	87	2	5	44
51s to 60s .. .. .	3,019	4,357	4,838	1,792	2,445	3,714	2,639	3,686	4,901	6,626	1,861	2,448	5,014	2,808	623	13	..	11	13	30
61s to 100s .. .. .	1,705	1,961	1,956	1,064	901	1,505	1,439	1,15	1,663	1,610	975	594	666	317	65	4	7	15	4	15
Above 100s .. .. .	117	137	153	137	113	82	75	128	118	80	102	87	40	25	26	2	1	..	..	11
GREY TWO FOLDS (Doubles) .. .. .	6,656	3,815	5,600	3,072	3,440	5,149	3,713	5,848	8,137	4,877	3,780	10,882	11,925	9,901	2,451	125	1	..	..	11
WHITE (BLEACHED) .. .. .	4,985	4,555	5,570	4,132	3,614	4,238	3,016	3,276	3,642	2,986	3,219	1,781	1,515	1,194	605	19	5	1	1	56
<b>COLOURED SINGLES—</b>																				
1s to 20s .. .. .	445	266	201	197	177	247	125	182	152	153	46	7	123	11	253	91	..	..	..	..
21s to 25s .. .. .	220	248	200	204	208	315	219	206	143	162	44	2	5	..	..	..	..	..	..	..
26s to 30s .. .. .	114	78	28	23	25	6	5	12	10	13	18	11	17	13	2	4	..	..	..	..
31s to 40s .. .. .	4,167	2,176	3,128	1,196	552	552	432	280	304	280	311	114	129	42	19	20	..	..	..	..
41s to 50s .. .. .	87	52	92	49	48	15	58	24	25	10	4	2	90	13	..	..	..	..	..	3
Above 50s .. .. .	459	270	446	248	181	224	132	133	177	266	241	149	153	98	57	5	..	..	..	8
COLOURED TWO FOLDS (Doubles) .. .. .	579	498	433	420	280	348	256	347	203	206	48	59	85	36	17	..	..	..	..	..
MERCERISED COTTON YARN .. .. .	5,181	3,895	5,874	8,674	4,824	7,547	5,225	6,509	9,932	10,621	8,816	10,041	14,694	9,443	4,474	168	..	..	..	..
UNSPECIFIED DESCRIPTION .. .. .	76	97	30	11	21	24	40	40	16	30	17	19	10	598	1,879	753	129	427	1	7
SEWING THREAD .. .. .	2,387	2,085	2,360	2,049	1,815	2,034	1,939	2,511	2,841	3,126	2,527	1,952	1,657	1,036	1,554	755	1,091	1,602	1,189	1,957
ARTIFICIAL SILK YARN .. .. .	8,478	6,927	7,992	6,016	8,045	12,354	8,024	15,279	15,913	15,055	33,853	15,313	26,688	34,240	23,921	278	93	787	1,580	4,845
<b>TOTAL</b> .. .. .	<b>67,509</b>	<b>47,570</b>	<b>56,900</b>	<b>40,343</b>	<b>40,353</b>	<b>58,572</b>	<b>43,707</b>	<b>47,764</b>	<b>61,429</b>	<b>54,993</b>	<b>57,547</b>	<b>48,206</b>	<b>68,238</b>	<b>62,987</b>	<b>37,267</b>	<b>3,348</b>	<b>1,514</b>	<b>2,894</b>	<b>2,832</b>	<b>6,989</b>

TABLE No. 17.

IMPORTS OF COTTON YARN INTO BOMBAY.

(Quantities in thousands of pounds.)

Classifications of Yarn.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	Calendar Year 1946.	
<b>GREY SINGLES—</b>																					
1s to 10s	260	16	102	10	..	..	8	39	..	..	2	4	..	..	..	44	..	..	..	..	
11s to 15s	541	13	..	..	1	..	12	..	..	2	..	..	..	..	..	..	..	..	..	..	
16s to 20s	228	6	40	23	16	578	97	146	46	4	28	..	2	10	..	301	..	..	..	..	
21s to 25s	3	228	..	1	..	..	..	38	9	2	3	..	..	..	..	..	..	..	..	..	
26s to 30s	210	89	182	106	8	10	9	26	16	15	21	3	3	5	..	..	..	1	..	..	
31s to 40s	15,820	6,075	6,334	3,282	3,183	4,493	2,123	1,351	1,304	1,525	123	1,007	1,056	410	13	330	28	35	..	8	
41s to 50s	856	521	588	422	69	96	207	221	297	207	43	4	41	288	..	318	87	1	..	16	
51s to 60s	649	1,132	1,047	327	67	162	56	1,146	1,710	2,357	574	967	2,170	960	172	1	..	..	..	12	
61s to 100s	427	321	448	237	48	62	135	133	396	654	403	67	186	77	10	4	6	..	..	2	
Above 100s	51	19	22	37	2	2	..	2	15	1	..	..	..	..	..	1	1	..	..	..	
GREY TWO FOLDS (Doubles)	5,323	3,124	4,509	2,240	2,504	3,618	2,105	3,306	5,538	3,098	3,229	6,616	8,147	5,710	1,767	125	..	..	..	..	
WHITE (BLEACHED)	2,525	2,144	2,099	1,806	1,668	1,853	1,354	1,189	1,097	754	409	310	302	376	156	18	..	..	..	24	
<b>COLOURED SINGLES—</b>																					
1s to 20s	1	..	2	1	1	..	1	..	4	2	1	..	3	..	..	..	..	..	..	..	
21s to 25s	..	2	1	1	..	..	5	..	..	..	..	..	1	..	..	..	..	..	..	..	
26s to 30s	13	16	7	5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
31s to 40s	254	171	240	50	23	2	11	6	1	..	..	10	..	8	1	..	..	..	..	..	
41s to 50s	86	43	26	13	22	6	18	..	..	..	2	..	24	22	..	..	..	..	..	1	
Above 50s	..	2	..	..	..	..	..	..	..	4	..	..	1	..	..	..	..	..	..	..	
COLOURED TWO FOLDS (Doubles)	213	123	84	50	6	..	..	..	10	6	2	39	29	34	16	..	..	..	..	..	
MERCERISED COTTON YARN	5,162	3,799	5,502	3,045	4,123	6,338	4,054	4,514	7,342	8,098	6,011	7,006	9,833	6,364	3,169	..	..	..	..	..	
UNSPECIFIED DESCRIPTION	6	27	20	4	17	10	7	8	6	24	8	9	2	557	1,872	692	129	353	..	..	
SEWING THREAD	822	721	830	747	661	816	756	974	994	1,123	1,036	800	737	936	992	351	598	972	691	1,240	
ARTIFICIAL SILK YARN	7,295	4,981	4,996	3,087	5,540	7,675	4,900	8,951	10,754	9,854	21,759	12,216	20,946	26,756	19,039	124	22	324	954	4,128	
<b>TOTAL</b>	<b>40,743</b>	<b>23,573</b>	<b>27,080</b>	<b>15,494</b>	<b>17,958</b>	<b>25,721</b>	<b>15,860</b>	<b>22,052</b>	<b>29,541</b>	<b>27,732</b>	<b>33,655</b>	<b>29,060</b>	<b>43,485</b>	<b>42,510</b>	<b>27,207</b>	<b>2,308</b>	<b>872</b>	<b>1,685</b>	<b>1,645</b>	<b>5,431</b>	

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TABLE No. 18.

STATEMENT SHOWING THE VARIOUS CLASSES OF PIECEGOODS IMPORTED INTO BRITISH INDIA.

(Quantities in thousands of yards.)

DESCRIPTION.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	Calendar Year 1946.
<b>PIECEGOODS.</b>																				
<b>GREY, UNBLEACHED (PLAIN AND BORDERED) :-</b>																				
Chadars	1,064	954	1,198	318	25	45	48	74	355	74	42	155	38							
Dhutties, Saris, etc.	506,686	454,127	490,658	304,944	87,149	118,683	120,265	92,894	123,156	106,308	45,014	77,651	72,621	34,281	12,816	7			1	
Drills and Jeans	14,802	10,132	13,179	5,411	2,862	1,721	1,789	830	1,542	812	519	858	205	765	2,920	121			2	
Flannels	18	12	2	298	4			21												
Jaconets and Madapolams	76,779	77,113	58,518	29,466	22,264	24,283	24,151	23,718	20,718	14,060	7,346	7,574	8,344	490	34	3			4	1
Longcloth	242,408	207,860	344,623	215,600	130,970	190,983	118,995	134,497	187,970	172,630	81,583	153,967	178,111	126,897	34,269	145			6	41
Prints			22	6				2,225												
Sheetings	24,000	8,652	14,296	4,471	4,715	3,827	3,591	2,323	1,007	1,618	377	1,628	1,253	14,253	48,151					
T-cloth and Domestics	378	95	118	89	28	14								72						
Unspecified Sorts	498	979	2,296	1,433	1,598	1,300	1,079	1,008	1,660	906	1,072	825	969	854	376	161			25	65
<b>TOTAL</b>	<b>868,629</b>	<b>756,925</b>	<b>924,688</b>	<b>560,066</b>	<b>249,572</b>	<b>355,856</b>	<b>267,819</b>	<b>255,033</b>	<b>337,553</b>	<b>296,484</b>	<b>135,953</b>	<b>242,558</b>	<b>256,541</b>	<b>177,480</b>	<b>89,639</b>	<b>437</b>			<b>31</b>	<b>107</b>
<b>WHITE, BLEACHED :-</b>																				
Chadars	251	173	54	85		17		10												
Checks, Spots and Stripes	13,820	15,517	11,678	7,046	2,930	6,426	5,900	4,175	4,668	4,658	4,528	3,505	1,034	817	220	109	7	17	37	203
Dhutties, Saris, etc.	87,197	40,907	51,704	20,921	2,845	2,696	5,994	8,638	5,638	3,293	1,310	1,301	1,197	55	91	19				
Drills and Jeans	6,589	5,608	6,468	4,767	3,694	4,918	4,621	4,094	3,578	3,318	3,408	1,661	2,428	1,889	1,627	285	19	83	9	192
Embroidered All-Overs								4,101	4,752	5,556	8,189	5,716	5,554	2,237	1,331	153	36	30	86	209
Flannels	54	15	28	57	102	68	8	104	54	2	51	19	5	45	51	2	7	2	14	3
Jaconets, etc.	13,950	16,610	16,181	14,273	8,689	17,438	14,980	23,273	21,388	18,994	15,968	12,044	12,319	7,575	6,208	2,540	221	248	209	723
Lawns	8,650	7,481	11,953	7,344	4,867	15,272	5,223	6,005	7,182	4,680	1,936	341	139	143	74	536	20	4	22	
Longcloth and Shirting	113,352	121,773	100,408	91,883	71,903	109,325	73,440	72,709	71,017	67,348	56,072	51,815	49,897	27,507	27,874	2,651	105	367	150	431
Mulls	217,704	242,410	203,978	149,462	142,391	194,224	144,273	181,314	139,592	107,378	108,599	102,788	74,867	55,305	16,825	1,836	107	56	136	709
Nainsooks	82,629	86,823	58,173	40,034	20,329	28,504	21,007	14,155	10,544	3,510	4,377	2,177	1,019	304	177	4			2	
Sheetings	140	269	97	175	89	39	61	119	77	44	106	93	30	65	51	24	2	1	5	50
T-cloths and Domestics			5	14	1		2	50	3				324							4
Twills	14,395	17,467	16,166	11,448	3,309	9,938	7,997	6,407	9,436	8,352	5,850	4,382	3,599	1,413	695	331	30	32	24	178
Unspecified Sorts	11,119	10,181	5,060	2,206	1,797	2,327	1,775	2,061	1,682	1,696	821	653	526	448	345	276	218	476	182	552
<b>TOTAL</b>	<b>568,846</b>	<b>568,315</b>	<b>477,143</b>	<b>349,715</b>	<b>262,935</b>	<b>391,132</b>	<b>284,663</b>	<b>277,461</b>	<b>279,487</b>	<b>228,827</b>	<b>211,211</b>	<b>186,510</b>	<b>152,936</b>	<b>97,803</b>	<b>56,269</b>	<b>8,778</b>	<b>772</b>	<b>1,320</b>	<b>854</b>	<b>3,272</b>
<b>COLOURED, PRINTED OR DYED :-</b>																				
Cambrics	48,816	54,335	43,967	28,237	16,627	34,045	35,472	44,222	46,750	38,426	30,688	19,806	16,001	9,216	5,924	2,069	574	604	237	647
Chadars	70	2	11	15		2	1	24		3			9		2					3
Checks, Spots and Stripes	17,856	23,362	24,136	18,720	4,743	10,799	12,795	14,408	18,985	42,651	21,335	18,477	7,765	2,310	1,624	492	170	519	209	175
Dhutties, Luggas and Sarongs	21,188	17,222	24,334	21,278	13,558	24,566	15,533	14,012	19,508	8,700	1,476	1,748	954	1,384	430	108	3	25		
Drills and Jeans	65,973	53,622	78,806	47,464	33,285	66,047	54,977	52,231	65,604	82,317	64,014	65,650	71,220	90,187	49,158	858	74	254	272	289
Embroidered All-Overs								2,710	3,734	3,431	4,144	2,209	1,533	363	236	4				48
Flannels	21,363	18,980	10,436	7,078	10,050	19,159	3,719	9,413	10,355	7,291	8,815	7,581	8,080	8,126	3,161	938	3	17	7	16
Prints and Chintz	64,678	76,079	65,297	42,859	21,243	48,142	25,865	28,392	21,961	10,115	7,121	7,541	5,169	3,011	1,594	234	8	92	12	36
Saris and Scarves	34,116	37,056	33,920	24,788	7,915	11,836	17,034	22,645	21,554	19,172	15,541	17,203	10,571	3,166	678	456	4		1	
Shirtings	86,117	95,406	95,674	74,525	57,337	111,125	61,246	81,467	96,491	52,315	46,054	43,268	59,441	47,495	31,330	2,662	211	286	286	907
Twills	40,217	48,975	35,004	22,329	17,252	22,279	15,378	18,644	14,497	13,852	11,265	9,765	10,869	7,795	3,945	1,007	260	44	87	122
Sateens	5,068	4,736	2,903	1,747	866	3,653	1,004	965	1,130	562	697	695	1,769	487	376	21				
Coatings and Trouserings	8,867	12,027	7,802	3,079	2,333	3,283	2,273	3,451	3,337	2,489	2,391	1,800	1,668	865	1,345	163	23	4	31	171
Italian Cloth and Sateens	20,799	34,066	16,510	13,363	11,259	21,123	10,563	22,210	10,732	7,707	9,322	7,064	5,612	1,804	3,639	783		27	8	228
Velvets and Velvetens	1,757	2,465	1,673	1,070	910	2,862	2,702	6,311	5,771	3,108	4,359	2,310	2,659	3,719	1,827	75	2	2	22	41
Unspecified Sorts	53,340	40,363	31,104	22,368	9,969	16,733	16,033	19,702	23,401	18,058	20,154	18,952	13,071	9,665	2,099	1,081	1,457	902	6,180	
<b>TOTAL</b>	<b>493,432</b>	<b>518,727</b>	<b>471,900</b>	<b>328,940</b>	<b>207,447</b>	<b>399,663</b>	<b>274,597</b>	<b>340,813</b>	<b>363,830</b>	<b>310,196</b>	<b>249,746</b>	<b>220,100</b>	<b>215,211</b>	<b>189,593</b>	<b>115,225</b>	<b>12,021</b>	<b>2,413</b>	<b>3,337</b>	<b>2,078</b>	<b>8,844</b>
<b>FRENCH OF ALL KINDS</b>	<b>34,032</b>	<b>36,778</b>	<b>36,456</b>	<b>14,846</b>	<b>21,420</b>	<b>28,583</b>	<b>32,807</b>	<b>45,180</b>	<b>52,001</b>	<b>* 78,032</b>	<b>* 47,003</b>	<b>* 24,520</b>	<b>* 22,542</b>	<b>* 22,857</b>	<b>* 24,517</b>	<b>5,065</b>	<b>11,080</b>	<b>2,601</b>	<b>1,690</b>	<b>7,490</b>

\* Is an approximation only on the basis that a lb. of art silk floss is equal to 8 yards.

**TABLE No. 19.**  
**STATEMENT SHOWING THE VARIOUS CLASSES OF PIECEGOODS IMPORTED INTO BOMBAY.**  
 (Quantities in thousands of yards.)

Description.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	Calendar Year 1936.	Calendar Year 1937.	Calendar Year 1938.	Calendar Year 1939.	Calendar Year 1940.	Calendar Year 1941.	Calendar Year 1942.	Calendar Year 1943.	Calendar Year 1944.	Calendar Year 1945.	Calendar Year 1946.
<b>PIECEGOODS.</b>																				
<b>GREY, UNBLEACHED (PLAIN AND BORDERED).</b>																				
Chaddars .. .. .	32	76	90	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dhuties, Saris, etc. ..	8,614	11,672	18,632	10,189	363	2,264	4,113	1,723	2,916	1,460	1,414	880	362	498	392	..	..	..	..	..
Drills and Jeans .. .. .	7,277	5,147	6,464	2,115	1,054	832	553	479	422	227	63	209	23	409	2,658	100	..	..	..	2
Flannels .. .. .	11	84	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jeans and Madapolams ..	20,977	25,629	20,002	9,933	9,360	11,775	11,540	9,988	9,940	7,503	2,945	2,748	718	123	22	..	..	..	..	..
Longcloth .. .. .	78,421	81,226	144,076	71,631	41,208	66,340	48,989	63,908	79,063	60,586	44,072	70,253	68,527	56,302	16,351	171	..	..	..	41
Printers .. .. .	..	1	22	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sheetings .. .. .	16,101	5,466	11,878	2,090	4,635	3,671	2,657	853	140	2	..	405	248	13,979	47,597	..	..	..	..	..
T-Cloth and Domestics ..	384	6	16	10	..	..	..	..	..	..	..	..	..	..	72	..	..	..	..	..
Unspecified Sorts .. .. .	90	569	1,308	423	960	792	795	690	708	358	603	238	277	256	178	45	..	..	..	1
<b>TOTAL</b> .. .. .	<b>131,907</b>	<b>129,876</b>	<b>202,487</b>	<b>96,396</b>	<b>57,583</b>	<b>85,665</b>	<b>68,647</b>	<b>77,641</b>	<b>93,184</b>	<b>70,135</b>	<b>49,096</b>	<b>73,848</b>	<b>65,155</b>	<b>71,070</b>	<b>67,270</b>	<b>316</b>	<b>..</b>	<b>..</b>	<b>3</b>	<b>47</b>
<b>WHITE, BLEACHED:—</b>																				
Checks, Spots and Stripes ..	1,560	1,664	881	505	149	785	1,173	845	994	781	845	479	143	92	76	55	5	..	3	10
Dhutis, Saris, etc. .. .. .	11,200	15,407	16,358	3,785	198	102	1,765	2,448	1,716	1,491	842	465	567	31	42	2	..	..	..	..
Drills and Jeans .. .. .	3,202	3,394	3,353	1,854	843	1,817	2,166	2,188	2,381	2,460	2,806	937	1,721	1,268	1,268	185	36	7	..	..
Embroidered All-Over .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Flannels .. .. .	41	7	23	20	25	41	4	32	22	..	..	9	3	13	29	1	..	..	..	..
Jeans, etc. .. .. .	3,728	5,214	2,824	2,550	2,862	6,160	4,139	6,282	4,824	4,284	4,334	2,891	2,272	1,497	1,574	542	36	9	18	286
Lawns .. .. .	316	591	325	500	331	580	445	312	88	78	50	175	47	12	48	61	..	..	..	..
Longcloth and Shirting ..	28,417	31,884	25,344	18,889	12,352	23,095	21,074	20,785	15,746	19,954	20,127	18,119	17,279	13,622	17,226	1,354	22	25	..	26
Muls .. .. .	35,750	48,208	39,407	20,120	14,205	22,734	22,309	13,849	16,302	19,954	9,220	15,486	7,366	7,851	6,825	153	20	..	..	114
Nainsooks .. .. .	20,342	20,149	12,056	8,629	3,782	6,617	5,248	1,401	1,365	7,206	379	271	38	37	105	..	..	..	..	..
Sheetings .. .. .	87	106	46	31	33	9	6	7	4	211	28	10	3	24	38	20	2	1	..	15
T-Cloth and Domestics ..	..	28	5	14	1	1	2	35	3	18	..	..	..	..	..	..	..	..	..	..
Twills .. .. .	3,178	5,059	4,267	2,418	735	1,576	2,842	2,467	2,742	2,618	2,018	1,430	1,236	633	716	178	6	19	6	67
Unspecified Sorts .. .. .	3,699	4,432	2,048	562	238	444	170	193	290	372	133	96	184	235	204	91	7	11	22	106
<b>TOTAL</b> .. .. .	<b>111,488</b>	<b>136,163</b>	<b>106,938</b>	<b>59,876</b>	<b>35,702</b>	<b>68,951</b>	<b>61,345</b>	<b>53,274</b>	<b>48,929</b>	<b>42,100</b>	<b>44,510</b>	<b>43,167</b>	<b>33,415</b>	<b>26,674</b>	<b>29,072</b>	<b>2,741</b>	<b>188</b>	<b>78</b>	<b>230</b>	<b>910</b>
<b>COLOURED, PRINTED OR DYED:—</b>																				
Cambrics .. .. .	19,081	26,284	20,506	11,601	4,469	10,727	11,588	14,560	13,129	12,429	9,126	5,374	4,384	2,551	1,200	897	382	142	47	305
Chaddars .. .. .	5	2	11	..	..	2	1	24	..	..	..	..	..	..	..	..	..	..	..	..
Checks, Spots and Stripes ..	6,960	11,594	10,788	8,071	916	3,853	4,701	3,913	4,005	9,108	6,369	2,407	3,896	530	547	156	42	12	24	111
Dhutis, Lungis and Sarongs ..	183	510	680	249	33	153	117	39	10	6	..	..	..	49	28	30	..	..	..	..
Drills and Jeans .. .. .	16,428	20,725	34,985	15,060	7,795	28,091	32,277	26,783	34,362	45,049	35,299	31,843	32,684	57,176	31,242	585	3	..	..	..
Embroidered All-Over .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Flannels .. .. .	5,460	4,990	3,788	1,079	1,781	4,021	1,086	1,617	2,672	2,221	3,983	1,862	1,912	3,708	1,452	373	3	..	..	..
Prints and Chintz .. .. .	44,297	55,917	40,787	20,931	9,965	26,447	14,998	15,792	10,266	5,294	3,602	4,351	2,278	1,207	725	163	11	..	..	..
Saris and Scarves .. .. .	8,624	16,183	16,775	7,621	953	5,352	7,987	9,645	8,151	9,704	5,402	7,519	4,994	2,513	553	188	..	..	..	..
Shirtings .. .. .	18,928	23,568	27,729	15,602	12,858	32,063	20,901	29,680	32,098	15,053	21,139	16,496	13,826	15,874	14,458	1,582	80	107	97	270
Twills .. .. .	15,394	20,648	15,983	7,583	3,751	7,408	7,186	7,304	5,906	5,171	5,247	4,596	3,521	2,742	697	380	94	..	..	..
Sateens .. .. .	1,314	1,504	1,418	981	27	491	268	346	356	107	99	339	192	310	87	18	..	..	..	..
Coatings and Trouserings ..	4,864	6,348	2,686	1,101	359	747	882	1,141	797	525	474	638	1,015	564	1,025	103	..	..	..	..
Italian Cloth and Sateens ..	8,563	15,743	8,235	5,069	2,930	7,326	4,389	8,472	4,519	2,742	3,881	2,833	3,019	1,093	1,625	222	..	..	..	..
Velvet and Velveteens .. ..	733	1,209	547	456	416	1,102	1,368	3,273	2,888	1,772	3,596	1,899	2,363	3,415	1,760	5	..	..	..	..
Unspecified Sorts .. .. .	8,564	6,666	5,802	2,892	1,614	3,099	3,143	5,420	8,086	5,900	5,530	3,895	3,309	6,675	867	439	155	82	411	..
<b>TOTAL</b> .. .. .	<b>159,296</b>	<b>211,890</b>	<b>190,679</b>	<b>98,296</b>	<b>47,811</b>	<b>130,982</b>	<b>110,487</b>	<b>130,802</b>	<b>129,819</b>	<b>117,495</b>	<b>105,583</b>	<b>85,351</b>	<b>78,373</b>	<b>95,181</b>	<b>82,143</b>	<b>5,513</b>	<b>984</b>	<b>865</b>	<b>447</b>	<b>1,499</b>
Feat. of all Descriptions .. ..	<b>32,069</b>	<b>34,156</b>	<b>33,126</b>	<b>12,889</b>	<b>12,828</b>	<b>24,551</b>	<b>21,985</b>	<b>30,296</b>	<b>44,981</b>	<b>*63,204</b>	<b>*37,272</b>	<b>*17,891</b>	<b>*18,765</b>	<b>*19,375</b>	<b>*21,944</b>	<b>3,267</b>	<b>3,392</b>	<b>1,132</b>	<b>1,358</b>	<b>5,117</b>

\* (See footnotes to Table 18 regarding figures of Feet.)

**TABLE No. 20.**  
**SUMMARY OF IMPORTS OF COTTON YARN INTO INDIA.**  
(In thousands of pounds.)  
(Calendar Year.)

Description of Yarn.	United Kingdom.			Japan.			China (including Hongkong.)			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany and Austria.			Other Countries.			Total.		
	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946
Grey Singles .. ..	62	58	94	..	..	..	..	..	..	1	1	15	..	..	..	..	..	..	..	..	..	..	..	1	..	..	64	59	109	
Coloured Singles ..	12	2	15	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	..	..	14	2	15	
White Bleached ..	1	1	46	..	..	..	..	..	..	..	..	10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	1	56	
Grey Folded .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Coloured Folded ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Mercurised .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Artificial Silk ..	787	1,571	1,587	..	..	..	..	..	..	..	9	398	..	..	2,019	..	..	717	..	..	113	..	..	..	..	..	11	787	1,580	4,845
Unspecified Descriptions.	8	1	7	..	..	..	..	..	..	423	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	426	1	7	
Rops .. ..	369	378	491	..	..	..	..	..	..	..	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	369	384	491	
Sewing Thread ..	1,554	1,066	1,946	..	..	..	..	..	..	48	123	9	..	..	..	..	..	..	..	..	..	..	..	..	..	2	1,602	1,189	1,957	
<b>TOTAL..</b>	<b>2,788</b>	<b>3,077</b>	<b>4,186</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>472</b>	<b>139</b>	<b>492</b>	<b>..</b>	<b>..</b>	<b>2,019</b>	<b>..</b>	<b>..</b>	<b>717</b>	<b>..</b>	<b>..</b>	<b>113</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>3</b>	<b>..</b>	<b>15</b>	<b>3,263</b>	<b>3,216</b>	<b>7,480</b>







TABLE No. 23.  
**DETAILED IMPORTS OF COTTON YARN INTO BOMBAY.**  
(In thousands of pounds.)  
(Calendar Year.)

Description of Yarn.	United Kingdom.			Japan.			China (including Hong-kong).			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany and Austria.			Other Countries.			Total.		
	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946
<b>SINGLE GREY:—</b>																														
1 to 10 .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
11 to 20 .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
21 to 30 .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
31 to 40 .. ..	35	..	8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
41 to 50 .. ..	..	..	1	..	..	..	..	..	..	..	..	15	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
51 to 60 .. ..	..	..	12	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Above 60 .. ..	..	..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
<b>SINGLE COLOURED:—</b>																														
1 to 20 .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
21 to 30 .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
31 to 40 .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
41 to 50 .. ..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Above 50 .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
White, Bleached ..	..	..	14	..	..	..	..	..	..	..	..	10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Grey, Folded .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Coloured, Folded ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Mercerised .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Artificial Silk .. ..	324	945	945	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Unspecified sorts ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Rope .. ..	328	344	470	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Sewing Thread .. ..	924	691	1249	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
<b>TOTAL</b> .. ..	<b>1,611</b>	<b>1,930</b>	<b>2690</b>	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
									401	9	416				1,971			699			113				1		12	2,013	1,989	5,901





TABLE No. 26.

SUMMARY OF IMPORTS OF COTTON PIECEGOODS INTO INDIA.

(In thousands of yards.)  
(Calendar Year.)

	United Kingdom.			Japan.			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany and Austria.			Other Countries.			Total.				
	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.		
Grey Plain .. ..	25	26	107	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	6	3	..	31	30	107		
Grey Bordered .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4	..	..	4	..		
White Bleached .. ..	1,303	758	2,889	..	..	..	1	15	153	..	..	8	..	..	28	..	81	194	..	..	..	16	..	..	1,320	854	3,272		
Printed .. ..	1,815	834	1,086	..	..	..	5	35	393	..	..	..	..	..	..	..	..	3	..	..	..	124	..	3,656	1,944	869	5,138		
Dyed .. ..	1,172	977	1,643	..	..	..	31	51	418	..	..	204	..	..	20	..	..	27	..	..	..	119	4	671	1,322	1,032	2,983		
Woven Coloured .. ..	72	171	419	..	..	..	..	3	210	..	..	90	..	..	..	..	..	3	..	..	..	..	1	1	72	175	723		
Fents of all descriptions.	321	545	3,851	..	..	..	2,279	1,140	8,622	..	..	..	..	..	..	..	5	17	..	..	..	..	..	..	..	2,800	1,690	7,490	
Towels in the piece .. ..	..	..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	
Piecegoods of Cotton and Artificial Silk .. ..	904	1,098	4,250	..	..	..	138	1,154	2,816	..	..	6,135	..	..	32	..	30	618	..	..	..	..	..	..	..	539	1,042	2,282	14,390
Canvas .. ..	9	2	60	..	..	..	..	1	1	..	..	..	..	..	..	..	..	..	..	..	..	2	..	..	..	..	..	61	
TOTAL .. ..	5,621	4,411	14,307	..	..	..	2,454	2,400	7,613	..	..	6,437	..	..	80	..	116	862	..	..	..	267	12	4,367	8,342	6,939	34,166		

\* (See footnote to Table 18 regarding figures of Fents.)

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**TABLE No. 27.**  
**DETAILED IMPORTS OF COTTON PIECEGOODS INTO INDIA.**  
(In thousands of yards.)  
(Calendar Year.)

	United Kingdom.			Japan.			U.S.A.			Italy.			Netherlands.			Switzerland.			Germany and Austria.			All other Countries.			Total.			
	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	
<b>GREY UNBLEACHED</b>																												
<b>PLAIN GREY.</b>																												
Chadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dhutis, Saris & Scarves	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Drills & Jeans	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Flannel & Flannelettes	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets including Madapolams, etc.	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Longcloth & Shirtings	..	..	41	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Printers	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sheetings	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
T-cloth & Domestic	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Descriptions	25	26	65	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>Total Plain Grey</b>	<b>25</b>	<b>26</b>	<b>107</b>	..	..	..	..	<b>1</b>	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>BORDERED GREY.</b>																												
Chadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dhutis, Saris & Scarves	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Drills & Jeans	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Flannel & Flannelettes	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets, etc.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Longcloth & Shirtings	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Printers	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sheetings	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
T-cloths & Domestic	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Descriptions	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>Total Bordered Grey</b>	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>Total Grey Unbleached</b>	<b>25</b>	<b>26</b>	<b>107</b>	..	..	..	..	<b>1</b>	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>WHITE BLEACHED.</b>																												
Checks, Spots & Stripes	17	37	202	..	..	..	..	..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dhutis, Saris & Scarves	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Drills & Jeans	83	9	180	..	..	..	..	..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Embroidered All-overs	14	4	9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Flannel & Flannelettes	2	14	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets, Madapolams, etc.	248	197	687	..	..	..	..	13	35	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Lawns	4	..	11	..	..	..	..	..	11	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Longcloth & Shirtings	367	150	392	..	..	..	..	..	12	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mulls	56	136	709	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Nainsooks	..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sheetings	..	5	14	..	..	..	..	..	36	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
T-cloths & Domestic	4	..	..	..	..	..	..	..	9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Twills	32	24	168	..	..	..	..	..	9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Descriptions	476	180	505	..	..	..	..	2	46	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>Total White Bleached</b>	<b>1,303</b>	<b>758</b>	<b>2,869</b>	..	..	..	<b>1</b>	<b>15</b>	<b>153</b>	..	..	<b>8</b>	..	..	<b>28</b>	..	<b>81</b>	<b>194</b>	..	..	..	..	..	..	<b>16</b>	..	..	..





**TABLE No. 28.**  
**DETAILED IMPORTS OF COTTON PIECEGOODS INTO BOMBAY.**  
(In Thousands of Yards.)  
(Calendar Year.)

	United Kingdom			Japan			U.S.A.			Italy.			Netherlands			Switzerland.			Germany and Austria.			Other countries.			Total			
	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	1944	1945	1946	
<b>Grey (Unbleached):—</b>																												
<b>Plain Grey:—</b>																												
Chadars																												
Dhuttis, Saries, etc.																												
Dhuttis and Jeans																												
Flannel and Flannelettes																												
Jaconets																												
Longcloth			41																									
Printers																												
Sheetings																												
T-cloth and Domestic																												
Unspecified Sorts			6																									
<b>TOTAL PLAIN GREY</b>			47																									
<b>BORDERED GREY:—</b>																												
Chadars																												
Dhuttis, etc.																												
Dhuttis and Jeans																												
Flannels, etc.																												
Jaconets, etc.																												
Longcloth, etc.																												
Printers																												
Sheetings																												
T-cloth, etc.																												
Unspecified Sorts																												
<b>TOTAL BORDERED GREY</b>																												
<b>TOTAL GREY</b>			47																									
<b>White Bleached:—</b>																												
Chadars, etc.			3																									
Dhuttis, etc.																												
Dhuttis and Jeans																												
Embroidered All-overs																												
Flannels, etc.																												
Jaconets, etc.																												
Lawn																												
Longcloth																												
Mull																												
Napkins																												
Sheetings																												
T-cloth, etc.																												
Printers																												
Unspecified Sorts																												
<b>TOTAL WHITE BLEACHED</b>	59	181	729				1	14	81				1			22		35	77				18			78	280	910



**TABLE No. 29.**  
**SUMMARY OF IMPORTS OF COTTON PIECEGOODS INTO BOMBAY.**  
(In thousands of yards.)  
(Calendar Year.)

	United Kingdom.			Japan.			U.S. of America.			Italy.			Netherlands.			Switzerland.			Germany and Austria.			Other Countries.			Total.				
	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.		
Grey Plain .. ..	..	..	47	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	9	..	..	..	9	47	
Grey Bordered .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
White Bleached .. ..	59	181	729	..	..	..	1	14	81	..	..	1	..	..	22	..	35	77	..	..	..	18	..	..	..	78	230	910	
Printed .. ..	221	56	299	..	..	..	4	29	32	..	..	..	..	..	..	..	..	2	..	..	..	123	..	..	..	348	85	385	
Dyed .. ..	86	240	692	..	..	..	7	44	163	..	..	78	..	..	15	..	..	20	..	..	..	117	3	..	..	210	287	368	
Woven Coloured .. ..	7	75	142	..	..	..	..	..	2	..	..	3	..	..	..	..	..	..	..	..	..	..	..	..	..	7	75	147	
Fents of all descriptions .. ..	137	494	2,054	..	..	..	995	859	3,036	..	..	..	..	..	..	..	5	17	..	..	..	..	..	..	..	..	1,132	1,358	5,117
Towels in the piece .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Piecegoods of Cotton and Artificial Silk .. ..	32	788	3,025	..	..	..	..	780	1,907	..	..	4,479	..	..	30	..	31	523	..	..	..	..	..	..	334	32	1,599	10,298	
Canvas .. ..	15	2	27	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	15	2	27
<b>TOTAL ..</b>	<b>557</b>	<b>1,836</b>	<b>7,025</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>1,007</b>	<b>1,726</b>	<b>5,271</b>	<b>..</b>	<b>..</b>	<b>4,561</b>	<b>..</b>	<b>..</b>	<b>67</b>	<b>..</b>	<b>71</b>	<b>639</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>258</b>	<b>6</b>	<b>334</b>	<b>1,822</b>	<b>3,639</b>	<b>17,897</b>		

\*( See footnote to Table 18 regarding figures of Fents.)





**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.		
	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Burma .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
European Countries ..	128	341	..	..	..	..	..	..	..	128	341	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China & Hongkong ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Egypt & North Africa ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Red Sea Ports .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	..	..	1	..	..	..	..	..	..	..	..	..
East Africa .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Levant & Black Sea Ports ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ceylon & Straits .. .. .	..	..	220	..	..	..	..	..	..	..	..	220	..	..	..	..	..	13	..	..	..	..	..	..	..	13	..
Persian Gulf .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	47	19	..	12	329	..	..	..	..	..	59	341	..
South Africa .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	1	..
TOTAL (All Countries) ..	128	341	220	..	..	..	..	..	..	128	341	220	..	..	48	19	..	26	344	..	..	..	..	..	75	364	..

**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, etc.			Fents.			TOTAL.		
	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.	1944.	1945.	1946.
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Burma .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
European Countries ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	13	..	..	..	..	..	..	..	13	..
China and Hongkong ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Egypt and North Africa ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Red Sea Ports .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	..	..	1	..	..	..	..	..	..	..	3	..
East Africa .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Levant and Black Sea Ports ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ceylon and Straits .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Persian Gulf .. .. .	..	..	..	..	1	..	..	..	..	..	1	..	..	..	..	1	..	10	..	..	..	..	..	..	..	11	..
South Africa .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL (All Countries) ..	..	..	..	..	1	..	..	..	..	..	1	..	..	..	2	3	..	15	23	..	..	..	..	..	17	26	..

TABLE No. 34.

TABLE SHOWING THE APPROXIMATE YARDAGE OF PIECEGOODS AVAILABLE FOR CONSUMPTION IN INDIA.  
(In millions of yards.)

	'27-28.	'28-29.	'29-30.	'30-31.	'31-32.	'32-33.	'33-34.	'34-35.	'35-36.	'36-37.	'37-38.	'38-39.	'39-40.	'40-41.	'41-42.	'42-43.	'43-44.	'44-45.	'45-46.
Total Indian Mill Production .. .. .	2,357	1,893	2,419	2,561	2,990	3,170	2,945	3,397	3,571	3,572	4,084	4,269	4,012	4,269	4,494	4,109	4,871	4,728	4,876
Less—Exports by Sea .. .. .	169	149	133	98	105	66	56	58	71	102	147	90	111	268	772	818	461	423	441
Exports by Land .. .. .	88*†	95*†	86*†	90	103	103	113	120	121	128	115	111	142	125	125	74	63	39	39
Balance .. .. .	2,100	1,649	2,200	2,373	2,782	3,001	2,776	3,240	3,380	3,349	3,809	4,064	3,790	3,859	3,597	3,166	4,338	4,240	4,196
Imports .. .. .	1,973	1,937	1,919	890	776	1,225	796	943	995	832	622	672	600	472	199	16	5	5	8
Total .. .. .	4,073	3,586	4,119	3,263	3,558	4,226	3,572	4,183	4,375	4,181	4,431	4,736	4,390	4,331	3,796	3,182	4,341	4,245	4,199
Less—Exports by Sea .. .. .	34	24	22	17	16	22	25	11	10	11	10	13	16	43	85	16	1	1	..
Exports by Land .. .. .	118*†	121	89	64	75	70	74	76	86	109	88	103	99	83	80	80	..	..	..
Total quantity of mill-made Piecegoods available for consumption in India .. .. .	3,921	3,441	4,008	3,182	3,467	4,134	3,473	4,096	4,279	4,061	4,333	4,620	4,275	4,205	3,631	3,086	4,340	4,244	4,199

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.)

	'27-28.	'28-29.	'29-30.	'30-31.	'31-32.	'32-33.	'33-34.	'34-35.	'35-36.	'36-37.	'37-38.	'38-39.	'39-40.	'40-41.	'41-42.	'42-43.	'43-44.	'44-45.	'45-46.
Total Indian Mill Production .. .. .	809	648	833	867	906	1,016	921	1,001	1,058	1,054	1,159	1,303	1,234	1,349	1,577	1,534	1,680	1,651	1,615
Less—Exports by Sea .. .. .	25	24	25	23	22	15	16	13	10	12	31	26	22	33	91	3	19	17	14
Exports by Land .. .. .	5*†	5*†	6*†	7*†	6*†	6*	8*	7*	8*	7*	5*	7*	5*	4	5	5	5	4	1
Balance .. .. .	779	619	802	837	938	995	897	981	1,040	1,035	1,123	1,270	1,207	1,312	1,481	1,490	1,656	1,630	1,600
Imports .. .. .	52	44	44	29	32	45	32	34	45	29	22	36	41	19	8	1	1	..	..
Total .. .. .	831	663	846	866	970	1,040	929	1,015	1,085	1,064	1,145	1,308	1,248	1,331	1,489	1,496	1,657	1,630	1,600
Less—Exports by Sea .. .. .	1	..	..	..	..	..	..	..	..	..	..	1	..	1	..	..	..	..	..
Exports by Land .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Quantity of Yarn available for consumption in India.	830	663	846	866	970	1,040	929	1,015	1,085	1,064	1,145	1,305	1,248	1,330	1,489	1,496	1,657	1,630	1,600
Cloth produced in India in millions of pounds .. .. .	668	440	562	590	672	695	646	736	761	782	864	920	878	981	1,093	1,062	1,193	1,200	1,175
Approximate equivalent in Yarn (taking 100 lbs. of yarn = 112 lbs. of piecegoods) .. .. .	507	384	502	527	600	621	577	657	679	698	771	821	784	879	976	948	1,065	1,070	1,049
Real balance of Yarn available for extra factory consumption in India .. .. .	323	279	344	339	370	419	352	358	408	366	374	484	464	451	513	548	592	560	551

\* 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 JAPANESE COTTON MILLS DURING THE LAST 17 YEARS.**

(The information is extracted from the half-yearly statistics published by the Japan Cotton Spinners' Association.)

Term.	No. of Companies.	Capital.		Reserve Funds.	No. of Mills.	Spindles.		Doubling Spindles.	Looms.
		Authorised.	Paid up.			Ring.	Mule.		
		Yen.	Yen.			Yen.			
<b>Half-year ending</b>									
June, 1926 .. .. .	65*	558,416,650	394,488,167	228,827,952	247	5,551,607	34,420	780,404	74,198
December, 1926 .. .. .	64*	539,237,500	391,305,247	231,149,181	247	5,844,772	35,080	789,688	77,043
June, 1927 .. .. .	64*	539,527,600	390,703,307	233,953,175	247	5,892,620	36,994	788,916	76,163
December, 1927 .. .. .	64*	535,077,500	391,550,767	238,367,331	257	6,079,272	36,994	787,490	78,352
June, 1928 .. .. .	68*	562,902,500	426,376,017	243,987,627	258	6,230,512	41,674	792,138	79,777
December, 1928 .. .. .	72*	552,196,250	419,792,127	249,078,831	259	6,425,500	41,674	809,452	81,209
June, 1929 .. .. .	72*	558,696,250	428,098,852	257,406,526	259	6,487,720	41,674	807,100	78,870
December, 1929 .. .. .	70*	560,846,250	429,415,222	259,756,504	258	6,795,502	41,014	808,324	77,898
June, 1930 .. .. .	73*	567,596,250	433,048,087	258,259,496	262	7,047,832	41,464	801,184	77,850
December, 1930 .. .. .	74*	561,989,750	425,346,487	252,094,974	263	7,171,527	42,474	803,094	79,466
June, 1931 .. .. .	74*	560,664,750	421,327,167	243,860,512	262	7,269,120	42,474	810,294	79,173
December, 1931 .. .. .	72*	537,964,750	398,855,292	240,828,488	263	7,498,152	36,994	801,594	77,782
June, 1932 .. .. .	71*	545,114,750	397,903,277	242,704,877	265	7,762,448	35,320	798,420	77,628
December, 1932 .. .. .	71*	540,561,100	397,674,627	245,939,643	265	7,929,530	35,320	810,492	79,277
June, 1933 .. .. .	71*	540,261,100	397,974,777	249,828,487	267	8,173,994	35,320	833,016	81,552
December, 1933 .. .. .	69*	543,761,100	403,898,752	255,398,338	268	8,608,608	35,320	842,808	86,343
June, 1934 .. .. .	70*	555,282,600	413,338,448	261,998,722	272	9,090,344	35,320	849,870	89,766
December, 1934 .. .. .	72*	567,223,600	438,573,910	273,315,614	275	9,495,254	35,320	868,440	91,146
June, 1935 .. .. .	74*	606,802,600	455,985,565	279,359,885	276	9,925,680	35,320	906,844	93,260
December, 1935 .. .. .	74*	609,202,600	458,955,945	282,588,696	281	10,613,728	35,320	912,912	95,982
June, 1936 .. .. .	75*	621,377,600	467,590,463	285,684,455	285	10,970,128	19,780	988,697	98,080
December, 1936 .. .. .	74*	678,677,600	483,967,095	292,389,043	282	12,131,488	7,920	1,170,304	100,549
June, 1937 .. .. .	74*	702,477,600	524,138,071	299,116,323	282	12,182,896	7,920	1,283,286	104,666
December, 1937 .. .. .	82*	782,277,600	595,886,485	309,827,724	291	12,559,376	7,920	1,371,288	108,074
June, 1938 .. .. .	84*	799,657,600	617,934,150	316,465,524	296	12,768,980	9,240	1,435,052	114,332
December, 1938 .. .. .	82*	872,282,600	642,802,863	327,318,824	294	11,710,017	5,040	1,484,582	114,090
June, 1939 .. .. .	79*	885,332,600	656,264,150	333,903,290	246	11,596,973	5,940	1,554,752	104,158
December, 1939 .. .. .	79*	885,882,600	659,914,150	343,033,590	248	11,601,810	5,940	1,620,238	104,051
June, 1940 .. .. .	79*	900,732,800	674,720,563	401,964,394	254	11,621,488	5,280	1,625,072	104,279
December, 1940 .. .. .									
June, 1941 .. .. .									
December, 1941 .. .. .									
December, 1942 .. .. .									
December, 1943 .. .. .									
December, 1944 .. .. .									
December, 1945 .. .. .									
December, 1946 .. .. .									
		Figures not available.				Figures not available.			

\* 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.
1917	590,521,080	242,144,925	42,305,808	14,717,091	3,715,905	8,194,558	4,344,308	905,943,075
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	5,367,004	852,316,315
1921	521,998,441	304,763,617	3,037,340	14,600,500	3,923,158	8,744,408	3,479,358	860,546,824
1922	615,242,183	389,759,225	3,626,017	19,652,842	5,563,967	8,354,600	5,680,941	1,047,879,775
1923	652,798,508	296,423,592	25,836,858	22,140,542	2,519,492	12,054,233	7,929,408	1,019,702,633
1924	563,969,233	282,197,025	58,888,450	36,176,192	1,461,775	20,443,692	5,877,333	969,013,700
1925	637,749,440	378,526,322	47,050,425	34,567,864	2,712,025	18,994,691	9,742,440	1,129,343,210
1926	664,655,716	486,464,350	19,956,425	43,557,383	1,011,383	12,512,942	8,763,400	1,236,921,599
1927	551,571,275	562,091,700	15,841,558	39,414,575	2,958,633	9,768,591	7,474,050	1,189,120,382
1928	510,871,795	511,694,394	60,928,568	36,900,193	1,663,337	11,052,982	7,069,534	1,140,180,803
1929	643,388,869	565,561,191	29,004,654	42,942,636	572,363	14,876,498	7,260,005	1,303,606,216
1930	627,594,598	468,778,932	11,443,473	34,718,189	1,931,984	20,269,592	6,330,650	1,171,067,418
1931	580,912,185	562,947,021	2,600,976	34,950,377	1,218,158	14,086,629	4,837,025	1,201,552,371
1932	331,599,316	908,859,160	2,029,745	37,576,519	482,167	5,054,240	7,185,856	1,292,787,003
1933	461,207,207	870,256,491	7,857,146	51,725,839	575,257	16,659,397	10,823,516	1,419,104,853
1934	608,343,495	856,692,099	11,402,307	71,522,108	1,286,479	16,101,950	31,506,901	1,596,855,339
1935	672,895,959	838,550,421	4,362,554	76,672,190	286,537	22,164,430	40,612,537	1,655,544,628
1936	728,982,817	694,618,808	21,289,342	101,600,534	337,233	30,890,117	111,657,816	1,689,376,667
1937	810,996,633	698,501,983	33,305,867	122,630,267	94,800	15,066,308	165,469,992	1,846,065,850
1938	472,815,698	480,429,326	144,104,727	72,441,137	N.I.	7,973,909	140,796,600	1,318,561,397
1939	429,431,335	370,468,143	88,588,971	111,635,162	Nil.	11,560,281	205,543,581	1,217,227,473
1940								
1941								
1942								
1943								
1944								
1945								
1946								

Figures not available.

NOTE.—Korean cotton before 1916 is totalled under "Sundries."

TABLE No. 38.  
JAPAN'S COTTON YARN PRODUCTION AND EXPORTS.

YEAR.	Average Working Spindles.	Production. (Bales of 400 lbs.)				Exports. (Bales of 400 lbs.)							
		16s. warp.	20s. weft.	Others.	Total.	China.	Hongkong.	British India.	Philippine Islands.	Korea.	Other countries.	Total.	
1915 ..	2,463,376	393,027	443,040	884,197	1,720,264	463,921	65,241	1,565	3,629	26,688	14,848	575,892	
1916 ..	2,757,299	409,053	497,291	1,019,235	1,925,579	440,158	50,381	11,744	1,889	26,137	16,839	547,148	
1917 ..	2,850,637	359,623	528,603	1,035,615	1,923,841	356,576	58,405	9,313	3,260	27,597	15,702	470,853	
1918 ..	2,936,495	228,818	511,539	1,063,509	1,803,866	231,689	62,598	79,426	5,685	13,053	29,062	421,513	
1919 ..	3,179,568	204,466	539,748	1,176,548	1,920,782	156,261	35,638	4,753	693	16,047	16,945	230,337	
1920 ..	3,191,753	196,928	191,141	1,128,907	1,816,976	166,711	58,349	47,615	2,548	5,535	24,167	304,925	
1921 ..	3,162,353	215,682	436,629	1,159,039	1,811,350	174,584	56,211	37,164	1,418	.....	22,884	292,261	
1922 ..	3,967,265	205,489	746,731	1,276,026	2,228,246	212,862	83,394	68,319	2,896	.....	26,591	304,062	
1923 ..	4,079,855	170,357	680,708	1,320,088	2,171,153	121,568	40,108	58,937	2,267	.....	28,778	248,325	
1924 ..	4,115,692	135,844	631,476	1,305,497	2,072,817	96,536	61,493	80,840	1,799	.....	29,692	270,361	
1925 ..	4,669,753	142,796	779,203	1,514,784	2,436,783	132,778	58,788	87,172	3,176	.....	28,888	310,801	
1926 ..	5,002,932	146,983	795,170	1,665,593	2,607,746	72,640	29,286	72,283	3,201	.....	28,140	205,650	
1927 ..	4,831,429	140,924	784,673	1,605,095	2,530,692	28,762	12,887	54,508	1,921	.....	19,577	117,654	
		Under 20.	20s.	Medium Counts.	Fine Counts.	Total.							
1928 ..	4,983,089	721,557	736,767	906,924	86,614	2,451,862	22,626	15,921	17,260	1,217	.....	14,632	71,656
1929 ..	6,149,365	827,363	878,405	984,092	101,826	2,792,586	17,637	6,988	27,514	1,826	.....	13,436	67,401
1930 ..	5,698,030	780,498	808,560	834,426	101,215	2,524,699	13,493	13,272	20,390	1,255	.....	10,976	59,386
1931 ..	5,904,342	809,822	803,442	814,398	139,471	2,567,133	3,839	2,349	16,094	1,367	.....	7,793	31,442
1932 ..	6,307,884	797,180	896,921	957,915	158,421	2,810,437	9,190	8,103	50,591	962	.....	20,049	88,895
1933 ..	6,771,692	877,043	941,139	1,145,009	136,665	3,099,856	428	1,133	18,286	638	(a) 13,260	14,178	47,923
1934 ..	7,502,504	962,110	1,100,937	1,305,406	103,989	3,472,442	324	353	24,318	1,085	(a) 13,803	24,061	64,844
1935 ..	8,197,422	999,282	1,026,007	1,412,900.5	122,643	3,560,832.5	419	3,518	44,880	2,509	(a) 18,979	26,277	96,582
1936 ..	8,392,024	1,015,599	1,027,276	1,425,635	138,948	3,607,458	565	6,783	42,176	4,646	(a) 24,954	31,399	110,524
1937 ..	8,972,671	1,101,887	1,166,956	1,549,246	148,111	3,966,201	1,989	10,419	36,885	5,975	(a) 27,575	46,886	129,728
1938 ..	8,243,413	697,835	764,451	974,411	115,049	2,551,747	2,001	2,579	47,067	4,382	10,856	38,380	105,265
1939 ..	7,991,108	693,598	794,335	964,101	153,749	2,605,783	2	24,664	71,678	5,216	25,562	81,883	209,005
1940 ..													
1941 ..													
1942 ..													
1943 ..													
1944 ..													
1945 ..													
1946 ..													

Figures not available.

(a) Manchuria.

TABLE NO. 39.  
JAPAN'S CLOTH PRODUCTION.

Year.	Average Working looms.*	Production of cotton piece-goods.*	Yarn consumed.*
		Yards.	lbs.
1915	27,687	502,076,621	124,632,631
1916	30,110	560,181,108	136,413,408
1917	31,920	594,649,419	142,770,758
1918	36,365	656,935,420	160,301,569
1919	40,969	739,390,012	179,788,560
1920	44,635	762,037,360	189,651,320
1921	44,109	700,697,985	179,427,501
1922	51,033	869,327,652	214,327,505
1923	52,972	1,000,708,890	240,979,975
1924	56,351	1,030,905,658	241,319,095
1925	62,976	1,179,524,733	274,472,668
1926	65,699	1,277,726,954	294,334,545
1927	66,733	1,294,668,822	293,166,913
1928	70,606	1,382,034,413	303,008,225
1929	67,070	1,538,249,015	336,276,152
1930	62,767	1,388,423,325	296,592,495
1931	64,392	1,404,668,382	301,231,848
1932	68,028	1,532,850,514	325,907,959
1933	73,966	1,673,880,702	362,300,980
1934	79,606	1,793,845,440	384,958,215
1935	82,397	1,843,470,714	392,640,350
1936	85,974	1,802,400,624	384,296,367
1937	90,197	1,890,554,335	406,988,842
1938	73,277	1,461,649,275	317,181,564
1939	80,235	1,585,317,392	342,361,331
1940			
1941			
1942			
1943			
1944			
1945			
1946			

Figures not available.

\*Sub-work by spinners only.

Sub-work by spinners means that the table in question was prepared from the reports of the weaving companies which are affiliated to the Japan Cotton Spinners' Association.

TABLE No. 40.  
STATISTICS.

STATEMENT of Imports of Piecegoods of British Manufacture (Grey, Bleached, Coloured and Printed) and of Yarns (Grey and Dyed) from Great Britain into Bombay, Calcutta and Madras, from the years 1873 to 1944, both inclusive.

YEAR.	PIECEGOODS.			YARNS.		
	Bombay.	Calcutta.	Madras.	Bombay.	Calcutta.	Madras.
	Sq. Yards.	Sq. Yards.	Sq. Yards.	Lbs.	Lbs.	Lbs.
1874.....	292,843,697	765,762,164	49,878,834	8,867,978	14,041,528	10,510,639
1875.....	305,917,934	744,439,224	44,683,288	6,863,763	12,945,100	10,104,020
1876.....	356,940,508	733,913,330	54,875,423	8,246,211	12,090,167	9,664,609
1877.....	354,779,192	885,688,850	39,106,318	10,624,710	14,364,841	8,683,595
1878.....	344,068,807	749,233,431	47,038,579	7,754,005	13,967,396	8,373,916
1879.....	343,811,233	788,759,250	61,375,691	7,469,113	10,580,436	9,581,363
1880.....	531,050,559	1,007,531,497	77,010,037	13,024,923	16,446,089	12,108,002
1881.....	544,800,697	947,329,460	82,451,852	12,326,706	13,597,371	11,099,762
1882.....	500,248,293	883,611,784	106,615,818	12,019,123	14,780,667	13,069,871
1883.....	572,738,196	878,949,353	107,868,579	16,220,463	13,478,764	11,033,824
1884.....	568,220,318	908,294,475	120,841,003	14,299,380	15,313,840	13,114,875
1885.....	547,773,459	911,987,148	93,757,204	14,132,372	13,473,067	99,597,197
1886.....	700,061,881	1,159,407,968	143,318,736	17,087,709	14,177,149	13,937,810
1887.....	585,502,258	988,370,500	117,502,619	14,990,151	14,040,137	13,432,638
1888.....	652,344,548	1,045,951,384	138,271,060	16,596,176	14,778,545	14,570,258
1889.....	634,608,171	1,031,000,980	144,140,943	13,011,348	11,836,681	13,393,848
1890.....	665,550,786	1,037,911,379	115,224,797	15,805,515	12,455,601	13,284,690
1891.....	572,065,309	961,686,226	108,083,576	15,526,869	12,484,617	14,666,189
1892.....	548,944,867	1,013,742,658	93,892,712	12,427,053	10,108,327	10,390,439
1893.....	604,439,138	1,009,441,511	106,086,291	10,466,233	13,124,097	11,387,889
1894.....	719,324,449	1,161,138,343	140,749,235	11,723,808	10,529,734	12,547,763
1895.....	484,780,087	925,203,136	99,427,366	10,857,586	10,689,066	10,188,466
1896.....	574,410,316	1,163,967,702	86,265,292	11,649,977	13,403,663	15,402,931
1897.....	472,597,133	932,328,974	121,396,515	11,788,246	13,299,211	13,650,022
1898.....	557,597,951	1,202,254,978	91,960,978	10,238,969	11,412,068	11,673,878
1899.....	611,556,220	1,266,926,546	93,492,746	10,441,484	10,729,842	11,532,812
1900.....	461,938,202	1,086,463,274	120,383,837	5,892,081	9,435,371	9,496,085
1901.....	629,976,200	1,127,753,500	129,392,500	7,911,750	11,050,800	8,564,200
1902.....	475,541,800	1,176,051,500	119,878,000	6,299,820	7,411,640	9,438,560
1903.....	520,373,400	1,119,542,300	129,898,800	5,300,460	6,442,050	6,699,580
1904.....	593,501,100	1,193,265,900	145,618,800	6,221,400	6,613,460	8,056,710
1905.....	637,039,600	1,292,516,900	119,829,700	11,368,420	11,443,550	10,175,810
1906.....	611,705,100	1,189,652,900	142,636,200	10,548,720	10,300,210	10,260,270
1907.....	646,598,400	1,298,662,500	131,107,800	10,419,750	9,921,670	7,601,280
1908.....	470,956,400	1,005,027,600	200,636,400	10,894,540	9,019,320	10,432,380
1909.....	481,389,100	1,180,586,000	108,497,400	16,251,580	8,448,010	6,169,190
1910.....	624,859,600	1,129,898,600	109,976,800	8,410,140	6,384,460	6,891,410
1911.....	622,516,400	1,226,065,400	138,414,300	12,842,440	9,179,460	8,364,340
1912.....	658,026,700	1,451,819,200	173,698,700	13,298,110	11,913,170	10,745,130
1913.....	804,333,100	1,547,872,400	210,797,700	13,628,700	7,519,860	9,497,740
1914.....	617,498,700	1,378,930,300	160,552,000	13,538,110	9,985,330	8,280,700
1915.....	354,966,900	1,052,246,400	106,332,200	15,423,650	8,974,950	10,801,200
1916.....	481,857,500	1,035,437,900	88,153,700	8,931,510	5,922,490	7,583,020
1917.....	851,853,300	898,872,200	78,886,500	5,185,900	5,646,600	6,295,900
1918.....	429,754,300	449,044,800	33,046,000	2,054,500	2,211,400	3,490,800
1919.....	275,575,100	423,299,200	37,684,300	3,217,300	2,401,100	3,201,100
1920.....	569,054,700	656,277,100	69,872,000	10,850,000	5,096,900	6,011,600
1921.....	265,737,000	744,049,100	50,486,100	18,383,900	7,573,200	7,257,800
1922.....	410,565,000	854,974,300	77,837,700	21,204,800	7,284,200	7,471,600
1923.....	476,873,200	797,622,700	89,096,800	9,024,500	5,154,800	5,978,300
1924.....	553,405,800	938,652,800	91,324,300	9,281,600	4,280,600	5,613,800
1925.....	524,457,900	767,338,700	72,441,200	6,244,300	4,184,500	4,465,500
1926.....	504,044,100	902,411,700	93,138,100	8,809,600	4,286,100	6,244,000
1927.....	576,045,900	924,941,700	84,499,100	8,681,600	5,262,900	6,660,400
1928.....	687,653,200	710,112,300	92,249,700	9,089,800	4,960,500	6,791,500
1929.....	511,977,900	687,826,200	108,049,200	8,318,800	4,031,000	8,447,700
1930.....	317,988,200	345,331,500	75,803,600	4,734,900	1,959,400	4,620,200
1931.....	231,407,000	77,021,300	59,272,200	3,407,400	2,608,000	4,785,400
1932.....	339,930,400	129,501,100	78,127,500	3,792,200	2,964,900	7,036,100
1933.....	258,655,100	131,375,900	66,094,000	2,416,400	3,088,000	4,740,800
1934.....	326,065,000	161,206,000	59,385,000	2,106,300	2,968,600	3,687,300
1935.....	306,200,000	138,804,000	56,430,000	2,569,000	3,744,600	3,806,000
1936.....	258,847,000	96,010,000	36,014,000	2,173,200	3,018,500	2,996,300
1937.....	224,494,000	67,800,000	30,900,000	1,477,700	2,095,800	3,497,400
1938.....	183,930,000	69,100,000	20,285,000	817,500	2,764,400	1,555,500
1939.....						
1940.....						
1941.....						
1942.....						
1943.....						
1944.....						
1945.....						
1946.....						

Figures not available.

Figures from "Accounts relating to Trade and Navigation of the United Kingdom."

# Report for the Year 1946.

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## *Section VI.*

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### **RULES AND REGULATIONS.**

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**Rules for Arbitration on Piecegoods, Standard Contract Form, Rules  
for the Election of Representatives of the Association on the  
Board of the Victoria Jubilee Technical Institute, on the  
Board of Trustees of the Port of Bombay, on the  
Bombay Municipal Corporation and on the  
Senats of the University of Bombay.**

## RULES AND REGULATIONS.

(Revised and adopted down to the Special General Meeting held on 7th August, 1939.)

- |  |                                   |
|--|-----------------------------------|
| <p>1. The Association shall be called the Bombay Millowners' Association.</p>  | Name                              |
| <p>2. The Office of the Association will be situate in Bombay.</p>   |                                   |
| <p>3. The objects of the Association are :—</p> <p>(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.</p> <p>(b) To secure good relations between members of the Association.</p> <p>(c) To promote and protect the trade, commerce and manufactures of India in general and of the cotton trade in particular.</p> <p>(d) To consider questions connected with the trade, commerce and manufactures of its members.</p> <p>(e) To collect and circulate statistics and to collect, classify and circulate information relating to the trade, commerce and manufactures of its members.</p> <p>(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.</p> <p>(g) To make representations to Local, Central and Imperial authorities on any matter connected with the trade, commerce and manufactures of its members.</p> <p>(h) To arbitrate in the settlement of disputes arising out of transactions in piecegoods and yarn between parties willing or agreeing to submit to arbitration in accordance with the arbitration rules of the Association.</p> <p>(i) To advance and promote commercial and technical education connected with the trade and commerce of its members.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(n) To regulate conditions of employment in the industry conducted or carried on by its members.</p> <p>(o) 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.</p> | Objects of the Association.       |
| <p>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.</p>   | Persons eligible for membership.  |
| <p>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.</p>   | Definition of the term " member." |
| <p>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.</p>  | Voting power of members.          |
| <p>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.</p>   |                                   |
| <p>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.</p>  |                                   |
| <p>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.</p>   |                                   |
| <p>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.</p>   |                                   |
| <p>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.</p>   |                                   |
| <p>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.</p>   |                                   |
| <p>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</p>   |                                   |

the Association shall be entered in the said Register together with the name of each person entitled or empowered, in accordance with these rules, to act and vote for such members, so soon as the name of such persons and all particulars regarding him and all formalities shall have been duly notified and observed in accordance with these rules, and when the name of more than one person shall have been notified as entitled to act and vote for any one member of the Association, the names of such persons shall be numbered in the order of precedence in which such persons are entitled to act and vote for such member.

14. No person shall be entitled to act or vote on behalf of any member of the Association unless and until his name shall have been entered in the said Register as a person entitled to act and vote for such member.

15. If two or more persons, who shall be entitled to act and vote on behalf of one and the same member of the Association, shall be present at any meeting of the Association, that one, who takes priority in the order of precedence in the said Register, shall alone be entitled to vote at such meeting.

16. If any one person shall, according to these rules, be entitled to act and vote for more than one member of the Association, such person shall be entitled to act and to exercise the right of voting, according to these rules, for each member, on whose behalf he is entitled to act and vote.

Mode of electing members.

17. Members of the Association shall be elected by ballot in the manner hereinafter mentioned.

18. Every candidate for election as a member of the Association must be proposed by one member of the Association and seconded by another, and a letter of proposal signed by the proposer and seconder must be sent to the Managing Committee of the Association (hereinafter called "the Committee").

19. After the receipt by them of a proposal duly made and seconded according to these rules of a candidate for election as member of the Association, the Committee shall fix a day for the commencement of the ballot for the election of such candidate.

20. Not less than seven days before the day so fixed as aforesaid for the commencement of the ballot for the election of any candidate, notice in writing shall be given by the Committee to all members of the Association of the name of the candidate and of his proposer and seconder and of the date so fixed as aforesaid for the commencement of the ballot for the election of such candidate.

21. The Committee shall, before the day appointed for the commencement of the ballot for the election of a candidate for membership of the Association, appoint a scrutineer for such election.

22. The Association shall, for the purposes of all elections by ballot, provide a ballot-box with a lock and key and with an aperture sufficiently large to admit of the deposit therein of voting papers.

23. Before the time appointed under these rules for the commencement of the ballot for the election of any candidate for membership of the Association, the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same, and the same shall not be opened until after the expiration of the full time appointed for such ballot.

24. The Committee shall provide voting papers for the election of a member of the Association in such form as they shall, from time to time, think fit and shall send one of such voting papers to each member of the Association, not less than seven days before the day fixed according to these rules for the commencement of the ballot for the election of any candidate for membership of the Association.

25. If any person entitled or empowered to vote concerning the election of a candidate for membership of the Association shall desire to exercise his right of voting he shall fill up a voting paper in accordance with the directions contained therein stating whether he votes for or against the election of such candidate and shall sign the paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

26. Voting papers may be deposited in the ballot-box in accordance with these rules at any time between the hours of 10-30 a.m. and 4 p.m. on the day appointed for the commencement of the ballot or on any one of the six succeeding days, exclusive of Sundays or Gazetted Holidays.

27. The ballot-box shall, at 4 p.m. on the seventh of the days appointed for the election of any candidate for membership, be opened by the Secretary in the presence of the scrutineer, and the votes shall be counted and scrutinized by the scrutineer, and the scrutineer shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

28. No candidate for election as a member shall be deemed to have been elected unless the number of votes recorded is greater than one-fourth of the total number of the votes which would have been recorded if all members had voted. One adverse vote in every six votes recorded shall exclude. The result of every election shall be recorded in the Minutes of the Proceedings of the Committee.

29. If any candidate for election as a member of the Association shall not be elected, his proposer shall be informed of his non-election by the Secretary.

30. Particulars of the voting for the election of any candidate for election as a member of the Association shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to anyone whomsoever.

31. A candidate, who shall have been proposed for election as a member of the Association and shall not have been elected, shall not be again eligible for election as a member of the Association until after the expiration of six months from the date of the election at which he shall not have been elected.

32. If a candidate for election as a member of the Association be elected, his election shall be notified in writing by the Secretary to his proposer and likewise to the candidate himself, and a copy of the last annual report of the Association and also a copy of the Rules of the Association, together with a bill for the entrance fee payable by such member on election and the amount of the annual subscription payable in accordance with these rules shall be sent to him by the Secretary.

Membership subscription.

33. Every member who shall after the date on which these rules shall come into force be elected a member of the Association shall pay on election an entrance fee of Rs. 100.

34. Every member who shall after the date on which these rules shall come into force be elected a member of the Association after the 1st January but before the 1st October in any year shall in addition to the entrance fee pay such proportion of the annual subscription for that year as shall be attributable to the period between the date of election and the 31st December of that year. Every member similarly elected after the 30th September in any year shall pay in addition to the entrance fee one-quarter of the annual subscription for that year.

35. Each member of the Association shall pay the annual subscription to the Association which may from time to time be determined by the Committee. Provided that the resolution of the Committee determining such annual subscription shall be passed by a majority of not less than two-thirds of the members of the Committee present at a special meeting called for the purpose of determining such subscription.

36. Annual subscriptions shall be payable in advance on the 1st January in each year in respect of the period from the 1st January to the 31st December in that year, and a member shall not be entitled to exercise any of the privileges of membership if his subscription by both or either of the two calendar months in arrears.

37. The Committee of the Association shall, in the case of mills which remain entirely closed for one calendar year or more for causes not due to a strike or a lock-out, be empowered to remit the ordinary membership subscription, and to substitute therefor a subscription of Rs. 100 only for each calendar year during which the mills remain entirely closed.

38. A member who shall fail to pay his subscription for a period of three calendar months after it has become payable shall, *ipso facto*, cease to be a member of the Association and his name shall forthwith be removed from the said Register. Provided that the Committee may, for good cause shown, for such non-payment of the subscription as to which the decision of the Committee shall be final and binding upon the member in default, and upon payment of the subscription in arrear, revoke the cancellation of membership and order the name of such member to be reinstated in the said Register. Subscriptions in arrear shall be treated as a debt due to and recoverable by the Association.

39. Each member shall, on election to the Association, sign a form of adherence to the rules of the Association in the form from time to time approved by the Committee and until such form shall have been signed a member shall not be entitled to exercise any of the privileges of membership.

Form of adherence to be signed by members.

40. Every member of the Association shall have power to terminate his membership thereof by giving not less than three calendar months' previous notice in writing (expiring at any time) to the Secretary of the Association of his desire to terminate such membership and upon the expiration of any such notice such member shall cease to be a member of the Association and his name shall forthwith be removed from the said Register.

Mode of resigning from membership.

41. The affairs and funds of the Association shall be managed by a Managing Committee hereinbefore and hereinafter called "the Committee" to be constituted as hereinafter mentioned.

The Committee, its constitution and mode of election.

42. The members of the Association shall, in each year between the 1st and the 31st day of January, elect the Committee from amongst the list of persons whose names appear in the said Register as persons entitled to act and vote for members.

43. The Committee shall consist of a Chairman, a Deputy Chairman and not more than eighteen ordinary members, making a maximum of twenty members in all.

44. The Committee, holding office for the time being, shall appoint a day between the 1st and the 31st day of January in each year for the election of the Chairman, the Deputy Chairman and the eighteen ordinary members of the Committee for the ensuing year, and shall cause notice of the day so appointed for such election as aforesaid to be advertised in at least one English and one Vernacular newspaper published in Bombay.

45. The Secretary of the Association shall also give to each member of the Association not less than seven days' notice in writing of the day appointed for the said elections and of the names of all authorized representatives of members who are eligible for election as members of the Committee.

46. The members of the Committee shall be elected by ballot.

47. The Committee shall, before the day appointed for the said election, appoint a scrutineer for each of the said elections.

48. Before the time appointed under these rules for the commencement of the ballot upon the day appointed for the said elections the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same and the same shall not be opened until 4 p.m. upon that day.

49. The Committee shall provide separate voting paper for

- (a) the election of a Chairman of the Committee,
- (b) the election of a Deputy Chairman of the Committee,
- (c) the election of eighteen ordinary members of the Committee

in such form as they shall, from time to time, think fit and shall send to each member of the Association not less than seven days before the day fixed for the said elections, one voting paper in respect of the election of the Chairman, one voting paper in respect of the election of the Deputy Chairman and one voting paper in respect of the election of the ordinary members of the Committee.

50. On the day appointed for the said elections voting shall commence at 10-30 a.m. and terminate at 4 p.m.

51. If any person entitled or empowered to vote concerning the election of the members of the Committee shall desire to exercise his right of voting, he shall, in the case of the election of a Chairman, write on a voting paper relative to the election of a Chairman the name of the person representing a member of the Association who 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 who 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 who he desires should be appointed as ordinary members of the Committee as aforesaid and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

52. Voting papers regarding the elections of a Chairman, Deputy Chairman and the ordinary members of the Committee may be deposited in the ballot-box in accordance with these rules between the hours of 10-30 a.m. and 4 p.m. on the day which shall have been appointed under these rules for such elections.

53. At 4 p.m. on the day appointed for the said elections the ballot-box shall be opened by the Secretary of the Association in the presence of the scrutineer and the votes shall be counted and scrutinized by the scrutineer, who shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

54. Particulars of the voting for the election of the members of the Committee shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to anyone whomsoever.

55. Those persons in whose favour the largest number of votes shall have been cast for the respective appointments of Chairman, Deputy Chairman and ordinary members of the Committee shall be deemed to have been appointed Chairman, Deputy Chairman and ordinary members of the Committee respectively.

56. Two representatives of any one member entitled under Rule 6 to ten votes or less shall not be on the Committee at the same time, and if two representatives of any one such member shall be elected to serve on the Committee at the same time, the election of that representative who obtains the lesser number of votes shall be void. In case of an equality of votes, the Chairman of the retiring Committee shall have a casting vote.

57. No member of the Association shall vote for more than one Chairman, one Deputy Chairman and eighteen ordinary members of the Committee.

58. If any person who shall have been elected according to these rules either as Chairman of the Committee or as Deputy Chairman of the Committee shall decline to accept the appointment there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be.



59. If any person who shall have been elected in accordance with these rules as an ordinary member of the Committee shall decline to accept the appointment the person who shall have received the next largest number of votes shall be considered to have been elected, and if there shall be no such person then the vacancy shall be filled by the retiring Committee.

60. If in any ballot for a Chairman or Deputy Chairman of the Committee there shall be an equality of votes for the appointment, there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be. If in any ballot for the election of the eighteen ordinary members of the Committee there shall be an equality of votes for the eighteenth appointment, the Chairman of the retiring Committee shall have a casting vote.

61. The new Committee shall take office upon the conclusion of the first Annual General Meeting of the members of the Association held after their election, and shall continue to hold office until the conclusion of the next Annual General Meeting of the members of the Association, when they shall retire but shall be eligible for re-election.

62. If any member of the Committee shall be absent from the regular meetings of the Committee for more than three consecutive months he shall, unless he shall have previously obtained leave of absence from the Committee, be deemed to have vacated his office.

63. When any vacancy other than a vacancy in the office of Chairman or Deputy Chairman shall occur in the Committee, the members of the Committee shall have power to appoint any duly qualified person to fill such vacancy who shall hold office until the conclusion of the next Annual General Meeting of the members of the Association when he shall retire but shall be eligible for re-election. Similarly if any member of the Committee shall have previously obtained leave of absence from the General Meetings of the Committee, the members of the Committee shall have power to appoint any duly qualified person to act as a member of the Committee during the absence of such member.

64. If any vacancy other than a temporary vacancy shall occur in the office of Chairman or Deputy Chairman of the Committee, such vacancy shall be filled by the election according to these rules by the members of the Association of any duly qualified person. A temporary vacancy may be filled by the members of the Committee from their own number.

65. The Chairman of the Committee shall, if present, preside at all meetings of the Committee held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and failing both, the chair shall be taken by one of the members of the Committee who shall be appointed by the other members of the Committee present at such meeting.

66. In case of a tie in voting in Committee the Chairman for the time being shall have a casting vote in addition to his own vote.

67. Five members of the Committee shall constitute a quorum.

68. The Committee shall meet at least once in every month.

69. The Committee shall have power to require from any member an explanation as to any act done or conduct pursued by such member which in the opinion of the Committee shall be in contravention of the rules of the Association or to the detriment or discredit of the Association or shall be injurious to the welfare and interests of the Association. If any such explanation shall be refused or having been given shall be deemed unsatisfactory, the Committee shall cause a Special General Meeting of the Association to be convened to consider the acts and conduct of such member, and the Association shall have power if a quorum be present at such Special General Meeting to resolve by a majority of not less than two-thirds of the votes cast at the meeting to declare that such member is expelled from the Association.

70. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association and shall not be entitled to claim any refund on account of subscription which may have already been paid.

71. Previous to each Annual General Meeting of the members of the Association, the Committee shall prepare a report of the proceedings of the Association during the year prior to such General Meeting and shall cause the same to be printed and shall send at least one printed copy thereof to each member of the Association not less than seven days prior to the date fixed for the said Annual General Meeting. The Committee may also, if they see fit to do so, send any one or more copies of the said report to any individual or Corporation or Association to whom or to which they may think it desirable in the interests of the Association to send the same.

72. The Committee shall have authority to appoint Solicitors to the Association and the Committee may consult them whenever they deem it expedient to do so.

73. The Committee shall have authority at any time and from time to time, if for any reason they shall consider it advisable to do so, to attach to the office of the Chairman of the Committee a remuneration or honorarium of such amount, and to operate from such date and for such period as the Committee may determine, and such remuneration or honorarium shall be met from the revenues of the Association.

74. At the first meeting of the Committee held after the holding of the Annual General Meeting of the members of the Association in each year, the Committee shall appoint three or more of their number to form a Sub-Committee for the purpose of deciding questions other than arbitrations, arising under the rules of the Association relating to the registration of trade marks, and the decision of such Sub-Committee on such question shall have the same effect as if given by the entire Committee. Any vacancy which may from time to time occur in any such Sub-Committee shall be filled by the Committee by the appointment thereto of another member of the Committee.

75. The Committee may from time to time appoint a Sub-Committee to investigate and to report upon any matter whatsoever and may invite any member of the Association not being a member of the Committee to serve on any such Sub-Committee, or may consult any outside authority if for any special reason such a course may seem to them advisable.

76. Sub-Committees other than a Sub-Committee appointed under Rule 74 shall have no executive or substantive power or authority, and the duty of every Sub-Committee shall be to report to the Committee the result of its investigations, deliberations or other proceedings.

77. A Secretary of the Association shall be appointed and his remuneration shall be fixed by the Committee. The Secretary shall devote himself entirely to the business and affairs of the Association except in cases where he has received the special permission of the Committee. He shall have charge of all correspondence and shall keep an account of the funds of the Association and of funds connected with or in any way controlled by the Association. He shall have the care of the rooms, furniture, library, pictures and of all documents belonging to the Association. He shall give notice as desired by the Chairman or Deputy Chairman of all meetings of the Association, of the Committee, of the Departmental Committees and Sub-Committees of the Association and of all Associations working in connection with the Association. He shall duly notify members of their election, collect all dues from members of the Association or from any Committee or any Association working in connection with the Association. He shall prepare the Annual Report of the Association and the reports of all Committees and of all Associations connected with the Association under the guidance of the Chairman and the Committee and generally shall perform all such duties as are incidental to his office and generally act under the orders of the Chairman or in his absence of the Deputy Chairman and the Committee. In all matters appertaining to the detailed duties of his office as above enumerated he shall follow the policy and instructions laid down by the Chairman or in the absence of the Chairman by the Deputy Chairman.

78. An Assistant Secretary of the Association may be appointed, and if so appointed, his remuneration shall be fixed by the Committee. The Assistant Secretary shall during any temporary absence of the Secretary owing to sickness

The procedure to be adopted by the Committee in conducting business.

Power of the Committee.

Duties of Secretary and Assistant Secretary.

or any other cause or during the absence of the Secretary on leave perform all or any of the duties of the Secretary as may be assigned to him.

79. Minutes of all proceedings of the Committee shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time.

Minutes Book of the Committee.

80. A general meeting of the Members of the Association to be called the Annual General Meeting shall be held in each year at such time as the Committee may appoint.

General Meetings of Members.

81. The Committee may also at any time call a General Meeting should it seem to them expedient to do so.

82. If any four members of the Association shall by a requisition in writing signed by the said four members respectively addressed to the Committee and containing a statement of their reasons for the requisition request the Committee to call a General Meeting of the members of the Association the Committee shall call such General Meeting to be held within fourteen days after the receipt by the Committee of the said requisition, and if the Committee shall refuse or neglect to call such General Meeting to be held within the time aforesaid, the said four members who shall have signed the said requisition, shall have power themselves to call such General Meeting to be held on such day as they themselves shall appoint.

83. Seven clear days' notice of every Annual General Meeting shall be given by advertisement in at least one English and one Vernacular newspaper published in Bombay and seven clear days' notice shall also be given to members of every Special General Meeting except Urgent General Meetings specially convened by the Chairman or the Committee.

84. No business shall be transacted at any General Meeting unless a quorum according to these rules shall be present at such meeting.

85. At any General Meeting a quorum shall be constituted if the number of votes of the members represented at the meeting shall exceed 25 per cent. of the total number of votes of all the members for the time being of the Association.

86. If on the day originally appointed for holding a General Meeting a quorum according to these rules shall not, within thirty minutes of the time appointed for the commencement of the meeting, be present, the meeting shall be adjourned to such time on such day not being less than 10 days thereafter as the Committee may determine and if a quorum shall not, within fifteen minutes after the time appointed for the commencement of such adjourned meeting, be present, the members then present shall constitute a quorum and may transact the business for which the meeting was convened.

87. Whenever any meeting shall be adjourned under Rule 86 on the ground that a quorum was not present within the prescribed time, seven clear days' notice shall be given by the Committee by advertisement in at least one English and one Vernacular newspaper published in Bombay of the day and time to which such meeting shall have been adjourned.

88. The Chairman of the Committee shall, if present, preside at all General Meetings of the members of the Association held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and, failing both of these, the chair shall be taken by one of the members of the Committee, who shall be appointed by the other members of the Committee, present at such meeting.

89. The voting at any General Meeting shall be in the first instance, by show of hands, but this shall not preclude any member present from demanding a poll. If a poll is demanded the number of votes to which each member shall be entitled shall be calculated in accordance with Rule 6. The result of a poll shall supersede a vote taken by show of hands. In the case of a tie in voting at any General Meeting the Chairman for the time being of the meeting shall have a casting vote.

90. Minutes of all proceedings at every General Meeting of the members of the Association shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time.

91. Every resolution which shall have been duly passed according to these rules at any General Meeting of the members of the Association shall be binding upon all the members of the Association.

92. All proposals or recommendations for concerted general action respecting the mills which the Committee of the Association may consider to be concerned in respect to a strike, lockout, short-time working or organized lessening of production, payment of bonus, increases or reductions in wages, or any other matter whatsoever, shall only be adopted if passed by a majority of not less than 85 per cent. of the votes cast at a Special General Meeting duly called for the purpose of considering such proposals or recommendations.

Special General Meeting for concerted general action.

93. Any member of the Association who shall contravene the terms of any proposal which has been approved and adopted by the members of the Association under Rule 92 hereof shall be liable to be summarily expelled from the Association by a resolution of the Committee declaring that such member is expelled; provided that such resolution shall be passed by a majority of not less than three-fourths of the members of the Committee present at a Special Meeting called for the purpose of considering such contravention.

Expulsion of members for contravening resolutions adopted at the General Meeting.

94. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association, and shall not be entitled to claim from the Association any refund on account of subscription which may have already been paid.

95. A firm or Joint Stock Company or other Corporation which shall be expelled under the last preceding rule shall be eligible for re-election after the expiry of six months from the date of expulsion provided not less than three members in addition to the proposer and seconder concur in the proposal for re-election.

96. The control of the funds of the Association shall be vested in the Committee, who in addition to the powers expressly conferred on them by these rules may exercise all such powers, and do all such acts and things as may be exercised or done by the Association and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting, and in particular may from time to time at their discretion raise or borrow or secure the repayment of any sum or sums of money in all respects as they think fit.

Funds and properties of the Association.

97. If at any time during the year the funds at the disposal of the Committee are insufficient or are likely to be insufficient to defray the estimated expenditure for the remaining portion of the year, then the Committee shall, in such case, call a General Meeting of the members of the Association and lay the accounts of the Association before such meeting.

98. The Committee shall cause proper books of account to be kept of the transactions of the Association and of the assets, credits and liabilities thereof, which books of account shall be kept at the office of the Association or at such place or places, and in the charge of such person or persons as the Committee may from time to time direct.

99. At least seven days previous to each Annual General Meeting of members of the Association the Committee shall send to each member of the Association a duly audited income and expenditure account, and a balance sheet, containing a summary of the property and liabilities of the Association and made up to the 31st December of the year immediately preceding the meeting, and such account and balance sheet shall be laid before the members at the Annual General Meeting of the Association in each year.

100. The Committee for the time being shall have power to invest and deal with any of the moneys of the Association not immediately required for the purposes thereof in such securities and in such manner as they may think fit and from time to time to vary or realize such investments.

101. The Committee shall have the power to determine the manner in which bills, loans, receipts, acceptances, endorsements, cheques, releases, contracts and documents shall be signed or executed by and on behalf of the Association.

102. There shall be two Trustees of the Association and the first Trustees shall be Mr. H. P. (now Sir H. P.) Mody and Mr. Ratansi D. Morarji. Subsequent Trustees shall be appointed by resolution of the Committee. Any person for the time being entitled to act and vote for a member shall be eligible as a Trustee. Any Trustee who shall cease to be entitled to act and vote for a member shall *ipso facto* cease to be a Trustee. Any Trustee may be removed by a majority of three-fourths of the members of the Association present at a meeting duly convened for the purpose of considering such removal.

103. All the funds and properties of the Association shall be vested in the Trustees who shall have the custody of all securities and documents of title relating thereto and shall deal with and dispose of the same and the income thereof in accordance with the written directions from time to time given to them by the Committee for the time being.

Responsibility of  
the Chairman,  
Deputy Chairman,  
Secretary and  
members of the  
Committee.

104. Neither the Chairman, Deputy Chairman, nor any ordinary member of the Committee nor the Secretary nor any Trustee shall be answerable for anything other than his own acts or defaults, nor shall he be answerable for any act done by him for the sake of conformity only, nor for any moneys of the Association other than such as shall come into his own hands, nor for any collector or receiver of moneys appointed by the Committee, nor for any misfortune, loss or damage, happening to the Association by reason of any deed done or executed by him as a Chairman, Deputy Chairman or ordinary member of the Committee or as Secretary or Trustee, nor by reason of any error in judgment or mere indiscretion on his part in the performance of his duties, nor otherwise on any account, except for wilful negligence or fraud. Every person being Chairman, Deputy Chairman, or an ordinary member of the Committee or Secretary or Trustee of the Association, his heirs, executors or administrators shall at all times be indemnified and saved harmless out of the funds of the Association from and against all costs, losses, damages and expenses whatsoever incurred or sustained by him in the execution of his power or duties, and every person having been or being a Chairman, Deputy Chairman, or ordinary member of Committee or Secretary or Trustee of the Association, his heirs, executors and administrators shall be indemnified and saved harmless out of the funds of the Association against all actions, suits, claims and demands whatsoever brought or made against him or them in respect of any engagement of the Association save such as may be incurred by his own personal wilful neglect or default.

The date when  
the rules come into  
force and the mode  
of altering the  
rules.

105. 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 save and except by a majority of not less than three-fourths of the votes cast at a General Meeting of the members of the Association duly convened and held for the purpose of considering such alteration, the terms of which shall have been fully set forth in the notice convening the meeting.

# RULES FOR ARBITRATIONS ON INDIAN PIECEGOODS AND YARN

(Revised and adopted down to 24th November 1944.)

**PREAMBLE.**—Whereas it is desirable that disputes and questions arising out of contracts for the sale and purchase of Indian piecegoods and yarn which fall to be submitted to arbitration in accordance with the Rules of the Millowners' Association, Bombay, shall be speedily and economically decided by persons having expert knowledge, the following Rules have been framed for the conduct of such arbitrations:

1. In these Rules unless the context otherwise requires:—

“The Association” means The Millowners' Association, Bombay.

“The Committee” means the Committee for the time being of the Association.

“Member” means a member of the Association.

“The Secretary” means the Secretary or Acting Secretary for the time being of the Association.

Words importing the singular number only shall include the plural, and the converse shall also apply.

2. These Rules shall apply to any dispute or question arising out of any contract for the sale and purchase of Indian piecegoods or yarn entered into between a member and a non-member and between the selling agents of a member and a non-member and between any other parties which provides for arbitration in accordance with these Rules.

3. The Committee shall select triennially a panel of Arbitrators consisting of 30 persons, of whom fifteen shall be selected from representatives of members and fifteen shall be selected in consultation with the Bombay Country Fancy and Grey Piecegoods Merchants' Association, from dealers in Indian-made piecegoods or yarn.

Panel of Arbitrators.

4. The Committee shall also select triennially from the panel of Arbitrators selected in accordance with Rule 3. a panel of ten persons to act as Umpires.

Panel of Umpires.

5. If a member of the Arbitrators' or Umpires' panel shall resign or refuse to act without a reason satisfactory to the Committee or become incapable of acting or shall die a vacancy shall be deemed to have occurred and the Committee shall forthwith select in accordance with Rule 3 or Rule 4 as the case may be some other person to fill such vacancy.

6. The Secretary shall keep a record, in the form, from time to time prescribed by the Committee, of all arbitrations conducted by the Association and of the awards made therein, and shall collect all fees in connection therewith and do all such things as are prescribed by or are necessary under these Rules.

7. (a) The parties to a dispute or question may appoint an arbitrator selected from the panel of arbitrators to act as sole arbitrator or

Appointment of Arbitrators.

(b) Either party to the dispute or question may appoint an arbitrator selected as aforesaid to act on his behalf and the Secretary shall immediately upon receipt of notice of such appointment give written notice thereof to the other party and shall call upon the other party to appoint within 10 days of the receipt of such notice an arbitrator selected as aforesaid to act on his behalf, and if such other party shall fail to make such appointment within the prescribed period the dispute shall stand referred to the arbitrator appointed by the first party as sole arbitrator.

Reference to sole Arbitrator if second Arbitrator not appointed within 10 days.

(c) No person shall be appointed to act as arbitrator under these Rules whose consent to so act shall not previously have been obtained.

Arbitrators not to be appointed without previous consent.

(d) The appointment of an arbitrator under these Rules shall be made on the form prescribed by the Association, which form shall be signed by the person making the appointment, and submitted to the Secretary for necessary action.

Appointment of arbitrators to be made on the form prescribed by the Association.

(e) All applications for appointment of an arbitrator or arbitrators shall be accompanied by a deposit by each party of Rs. 100, or such other sum as the Committee may direct, as a deposit against the expenses of the arbitration.

Where the award is silent as to the expenses of the Arbitration the expenses shall be borne equally.

If the expenses of an arbitration whether not awarded or awarded, or any part thereof remain unpaid by the party liable therefor for a period of 10 days after the award is made, the Secretary shall appropriate the deposit of the party in default or a portion thereof towards the amount recoverable from such party. On payment of all expenses of the arbitration the parties shall be entitled to a refund of such sums as they may be entitled to.

8. No party to a dispute or question shall appoint an arbitrator, and no person shall consent to act as arbitrator, who is or whose employers are interested directly or indirectly, in the subject-matter of the dispute or question. Any appointment made in contravention of this rule shall be deemed to be invalid and of no effect.

Arbitrators to be disinterested.

9. When two arbitrators are appointed they shall, before proceeding with the reference, select from the Panel of Umpires an umpire, who is willing to act, and communicate his name to the Secretary.

Appointment of Umpire by Arbitrators.

10. If the arbitrators are unable to agree as to the umpire they shall proceed with the reference and notify the Secretary of their disagreement, and the Committee shall thereupon select a person from the Panel of Umpires to act as umpire. No person shall be appointed to act as umpire either by the arbitrators or the Committee who is or whose employers are interested either directly or indirectly in the subject-matter of the dispute or question. Any appointment made in contravention of this rule shall be deemed to be invalid and of no effect.

11. The arbitrators shall fix a time and place for the hearing of the reference and notify the Secretary thereof. The date so fixed shall be not later than 10 days after their appointment. The Secretary shall forthwith notify the parties of the time and place appointed.

12. Parties to the reference shall attend at the time and place appointed for the hearing of the reference, either in person, or (subject to the provisions of Rule 13) by any person duly authorised by them acquainted with all matters in dispute or in question and they shall if so required by the arbitrators submit written statements of their respective cases to the arbitrators and answer all material questions relating to the dispute or question.

Submission of statements.

13. Parties to the reference shall, if required, submit to be examined by the arbitrators on oath or solemn affirmation or otherwise in relation to the matters in dispute or question.

14. At the time appointed for the reference the parties shall have ready at the rooms of the Association or elsewhere as directed the sale samples duly attested, and if required sample packages or complete bales. Samples, packages or bales so sent will be at the sender's risk and must be accompanied by a poon in charge and by a cooper to open the packages.

Samples for inspection.

15. The parties to the reference and all persons claiming through or under them respectively shall produce before the arbitrators all books, deeds, papers, accounts, writings and documents within their possession or power which may be required or called for and do all other things which during the proceedings on the reference the arbitrators may require.

16. The arbitrators shall have general authority to require from either or both of the parties to the reference such further statements, explanations, and other information, evidence and materials as they may consider necessary for the adjudication of the dispute or question.

16A. The arbitrators or umpire may, from time to time with the consent of all the parties, by endorsement on the reference paper, extend the time for making an award by a period not exceeding 28 days from the due date or extended due date of the award.

17. The arbitrators shall proceed with the reference and make an award *ex-parte* in the absence of any party who shall after due notice refuse or neglect to attend without having satisfied the arbitrators that good and sufficient reason exists for such neglect or refusal.

18. No party to a reference shall, without the express permission of the arbitrators be entitled to appear by counsel, attorney, advocate or pleader, or insist on or require the arbitrators to hear or examine witnesses or receive oral or documentary evidence other than what is deemed necessary by the arbitrators.

19. The arbitrators or umpire may, before making an award, and at the joint expense of the parties to the reference, consult counsel or solicitors to be selected by them, arbitrators or umpire as the case may be, on any question of law, evidence, practice or procedure arising in the course of the reference.

20. The arbitrators when called upon to do so by either party may, if they think fit to do so make an interim award.

21. If the arbitrators fail to make an interim award or to agree upon an interim award within seven days after they shall have been called upon to do so, the Secretary shall forthwith call upon the umpire to enter upon the reference to the extent of the matters in respect of which the arbitrators were called upon to make an interim award and to make an interim award within seven days of the matter being referred to him and the umpire shall within such time make an interim award.

22. The arbitrators shall, notwithstanding that the umpire shall have made an interim award have power to make an award upon the matters in dispute still outstanding between the parties.

23. The arbitrators shall make an award in writing in the form prescribed by the Association or notify their disagreement to the Secretary as early as possible and in any case within 28 days from the date of the first hearing of the reference or within the period of any permitted extension of time.

24. If the arbitrators fail to make an award or to agree upon their award (not being an interim award under Rule 20 hereof) within the prescribed period or any permitted extension thereof, the Secretary shall forthwith call upon the umpire to enter upon the reference and the umpire shall thereupon proceed with the reference.

25. The arbitrators shall furnish the umpire with a brief statement of the facts of the case and their reasons for such failure to make an award or to agree upon their award or interim award as the case may be.

26. The foregoing rules as to the practice and procedure before the arbitrators shall apply *mutatis mutandis* to the proceedings before the umpire.

26A. The Arbitrators and Umpire respectively shall have power vested in them and him to make orders whether by way of interim award or otherwise for the preservation or interim custody or sale of any goods which are the subject matter of a reference or for securing the amount in difference in the reference.

27. If an arbitrator duly appointed neglects or refuses to act or is otherwise incapable of acting, or dies, a new arbitrator shall be appointed in accordance with the foregoing rules.

If an umpire duly appointed neglects or refuses to act or is otherwise incapable of acting or dies, the Committee shall proceed to appoint a new umpire.

28. Parties to the reference shall do all acts necessary to enable the arbitrators or umpire to make a just and expeditious award, and shall not wilfully do or omit to do, or cause to be done or be omitted to be done, any act to delay or prevent the arbitrators or umpire in or from making an award. If either party shall be guilty of any such wilful doing or omitting or causing which as a result whereof the proceedings in any manner are delayed or the arbitrators or umpire are prevented as aforesaid the arbitrators or the umpire shall direct him to pay to the other party such costs as they or he may deem reasonable and may proceed with the hearing of the reference.

29. When a dispute or question stands referred to an umpire, he may proceed to adjudicate in the matter on the basis of the statement furnished to him by the arbitrators as provided by Rule 25 and shall make his award thereon within 14 days of his first entering on the reference or within the period of any permitted extension of time.

30. The arbitrators by their or the umpire by his award shall determine exactly what they or he shall think fit to be done by either of the said parties, respecting the matters referred and shall direct to and by whom and in what manner and in what proportion the total costs of the reference any interim award and the award, including the fees payable to the arbitrators and umpire and the Association shall be paid.

31. All references in these Rules to an award shall unless repugnant to the meaning or context include references to an interim award.

32. All awards under these Rules shall be made in the forms prescribed therefor bearing stamps for the value laid down under the Indian Stamp Act or any other law for the time being in force and shall be lodged with the Secretary who shall send copies thereof to the parties.

33. Every award made under or in pursuance of these Rules shall be final and binding on the parties to the reference and persons claiming through and under them notwithstanding death or legal disability occurring to any party, before or after the making of the award, and so that death or legal disability shall not operate as a revocation of the award.

34. Whenever an award directs that a certain act or thing shall be done by one party to the reference and such party fails to comply with the award, the party in whose favour the award was made may make an application for a further award determining the amount of damages or compensation payable by reason of such failure, and the Committee on receipt of such application shall proceed to appoint a sole arbitrator or two arbitrators and an umpire who may or may not be the same person or persons who made the first award. The arbitration on the said application shall then proceed in accordance with these Rules and the award thereon may be filed separately or together with the original award.

35. Neither party to a dispute or question which has been submitted to arbitration under these Rules shall bring or prosecute any suit or proceeding on any ground whatsoever against the arbitrators or the umpire, or the Secretary.

36. In respect of arbitrations conducted under these Rules the following fees shall be paid by the parties to the reference or by those claiming through or under them, namely:—

- (a) To a sole arbitrator a fee at the rate of Rs. 30 per hour or part thereof, subject to a maximum of Rs. 75.
- (b) To each of two arbitrators a fee at the rate of Rs. 15 per hour or part thereof, subject to a maximum of Rs. 60 for each arbitrator.
- (c) To an umpire a fee at the rate of Rs. 30 per hour or part thereof, subject to a maximum of Rs. 75.
- (d) To the Association in every case a fee of Rs. 10,

37. If the parties to a reference shall take the reference out of the cognizance of the arbitrators or umpire, after the commencement of proceedings and before the publication of the award, they shall nevertheless be liable to pay fees to the arbitrators, umpire and Association at the rates specified in Rule 36 hereof:

Provided that if the reference is so taken out of the cognizance of the arbitrators or umpire before the commencement of proceedings, the amount deposited under Rule 7 (e) shall, with the exception of the fees payable to the Association, be refunded to the party or parties as the case may be.

38. A bill showing the amount due in respect of fees, stamp duties, etc., to the arbitrators, umpire and Association by each party to the dispute shall accompany any copy of the award sent in accordance with Rule 32, and shall be paid within seven days of the receipt thereof.

39. In addition to the fees mentioned in Rule 36, the parties to the dispute or question shall pay as and when demanded by the Secretary and as set out in the award, all other fees or charges incurred during the arbitration in accordance with Rule 19.

40. All notices required by these rules to be given shall be given in writing in the form prescribed by the Association and shall be sufficiently given if left at the last-known place of abode or business of the party to whom the notice is addressed, or if sent by post prepaid addressed to him by name at such place of abode or business and not returned through the post as undelivered before the completion of the award and shall if sent by post be considered to have been given at the time at which the letter would, in the ordinary course, be delivered.

41. The provisions of the Arbitration Act, 1840, or any modification or amendment thereof, or any other relevant Act for the time being in force, in so far as they are not inconsistent with these Rules, shall apply to all arbitrations conducted by the Association.

42. These Rules shall come into force on the 24th November 1844, on which date they shall supersede all previous rules relating to Arbitrations on Piecegoods and Yarn.

## STANDARD CONTRACT.

No. \_\_\_\_\_ *Bombay,* \_\_\_\_\_

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.	Seasonal or non-seasonal.	Dimensions.			No. of Bales.	Pieces in each Bale.	Total pieces.	Total lbs.	Rate ex-mills.			Per lb./piece/yard.	Quality as.	Discount.	Brokerage.	Sahi.	Border.	Headings.	Designs.	Assortment of designs in each Bale.	Tickets or Stamps.	
			In.	yds.	lbs.					Rs.	a.	p.											

Delivery of the said goods shall be taken by the Buyers as follows :—

(Please turn over.)

## THE TERMS AND CONDITIONS OF THE STANDARD CONTRACT FORM.

1. The quality of the goods shall, except in the case of a sale by sample, accord with the recognized standard quality cloth manufactured by the Company.

In the case of a sale by sample the buyers shall be deemed to have approved the sample furnished by the Company, unless the buyers shall within 4 days after the receipt of the sample intimate in writing to the contrary to the Company.

2. The Company does not guarantee, except where a particular assortment is specially stipulated, any fixed assortment in the deliveries of goods of various dimensions and patterns and bearing different numbers, and in such cases the buyers shall take delivery of and pay as herein agreed for all bales (not exceeding the contract quantity) from time to time ready for delivery regardless of the assortment.

3. Where the contract is for 100 bales or more, the buyers agree to accept at the price herein fixed an assortment of bales to the extent of 10 per cent. more or less than the contract quantity, and where the contract is for less than 100 bales the buyers agree to accept at the price herein fixed an assortment of bales to the extent of 5 per cent. more or less than the contract quantity, but as regards such limits the buyers shall not be obliged to take up more than 5 bales more or less of each sort, including any loose pieces of each sort.

4. In the case of goods sold at a fixed rate per pound the buyers shall not raise any objection or claim compensation for short weight so long as the average weight per bale in each lot delivered does not vary from the invoice weight by more than 2 per cent. per bale. The Company does not guarantee the weight of any goods sold by the piece.

5. The buyers shall not be entitled to any allowance or compensation for any deficiency in the width of dyed, bleached and/or calendered goods when such deficiency does not exceed one inch.

6. In the case of a sale of ready goods payment therefor shall be made and delivery thereof taken by the buyers within 8 days of sale.

7. In the case of a sale of goods for future delivery, when the period of delivery extends to two months or more and the quantity deliverable per month is not specified, the Company shall supply the goods in approximately equal lots per month, and the buyers shall on the last day of each English calendar month take delivery and pay for in cash against delivery of as many bales, approximating to the quantities specified in the contract, as shall have been made ready during that month, and either at the mill premises or at the godowns of the Company as the Company may direct: Provided that in the case of bales of which delivery is required in Bombay, the Company will ordinarily be willing to give delivery through the Selling Agents of the Company in the market, but giving delivery in the market shall not render the Company liable to a claim by the buyers for late delivery if the bales were ready for delivery at the mill premises or the godowns of the Company on the last day of the aforesaid calendar month.

8. The Company shall as far as possible, but without being under any obligation to do so, notify the buyers of the number and particulars of the bales ready for delivery at the end of each calendar month, and shall also furnish to the buyers if requested by the buyers in writing so to do the number and particulars of the bales ready for delivery from time to time during the month. Any such notification or furnishing of particulars by the Company as aforesaid shall not imply or be deemed to imply an obligation or undertaking on the part of the Company to give any further notification, or to furnish any further particulars, except upon the written request of the buyers, it being the duty of the buyers to ascertain the number and particulars of the bales ready for delivery from time to time and to pay for and take delivery thereof.

9. In the event of the buyers requesting the Company to despatch the goods either by rail, road or sea and the Company acceding to such request the goods shall be at the risk in all respects of the buyers from the time they leave the mill premises or the godowns of the Company as the case may be, including the risk of delay in delivery due to the non-booking of the goods by the Railway or Shipping Company for which the Company takes no responsibility.

10. Where the goods are to be delivered in lots or by instalments this contract shall be deemed and construed as a separate contract in respect of each lot or instalment, and the rights and liabilities of the Company and the buyers respectively shall be the same as though a separate contract had been made in respect of each lot or instalment.

11. All goods of which delivery shall not be taken by the buyers in accordance with the terms of this contract shall, as from the date on which delivery thereof ought to have been taken, be deemed to have been appropriated to this contract and the buyers shall be deemed to have assented to such appropriation without any further consent on their part than is evidenced by their being parties to and signing this contract. From the date of such appropriation the said goods shall be held by the Company for the account of the buyers and at their sole risk as regards loss, damage, deterioration or otherwise and the price of the goods plus all charges shall carry interest in favour of the Company from due date at the rate of 9 per cent. per annum and the Company shall be entitled at its sole discretion and after giving not less than seven days' written notice to the buyers, which shall be deemed to have been duly given if delivered at or sent by registered post to the last known place of business or residence of the buyers, to sell the said goods on account and at the risk of the buyers either by public auction and/or private sale and either together or in lots and at such time or times and on such terms and conditions as the Company may think fit. If the net sale proceeds of the goods shall be less than the amount due to the Company for the price of the goods plus interest and all charges, the buyers shall pay the difference to the Company on demand.

12. The Company shall have a general lien on all goods of the buyers for the time being in the possession of the Company (including goods already paid for but of which delivery may not have been taken by the buyers) for the total amount due to the Company for the time being under this contract and also for any amount due to the Company under any other contract with the buyers either alone or jointly with another or others.

13. In respect of all goods of which delivery shall not be taken by the buyers within 14 days after the due date the buyers agree to pay to the Company on demand annas eight per bale per month or any part of a month for godown rent and annas four per bale per month or any part of a month for insurance calculated from the expiry of such period of 14 days to the date on which actual delivery shall be taken by the buyers.

14. If any goods while in the possession of the Company shall be destroyed and/or damaged from any cause whatsoever after the due date for delivery thereof to the buyers, any sum recovered from the insurance of such goods against such destruction and/or damage may be applied by the Company in satisfaction in whole or in part as the case may be of the price of the said goods plus interest and all charges and if the sum so recovered shall be less than the price of the said goods plus interest at 9 per cent. and all charges the buyers shall pay the difference to the Company on demand, and on the other hand if the sum so recovered shall be greater than the price of the said goods plus interest at 9 per cent. and all charges the Company shall pay the excess to the buyers on demand.

15. If the Company shall be unable to deliver the whole or any part of any goods sold for future delivery by the time specified for delivery thereof by reason of the mills working short time or its being expedient to stop the mills temporarily or by reason of fire, war, stoppage or hindrance in the supply of raw materials or fuel, explosion, accident, strike, riot, lock-out or other disorganization of labour or transport breakdown of machinery, or any inevitable or unforeseen event beyond human control directly or indirectly interfering, with the working or the full working of the mills, the buyers shall take delivery of such bales as the Company may be in a position to deliver (if any) and the time for completing the contract shall, as regards the bales not ready by the specified time, be extended for such time as the Company may reasonably require to make up for the delay caused by stoppage, hindrance to or interference with the working of the mills or any other events or circumstances before mentioned PROVIDED ALWAYS that should the inability to deliver in the



case of non-seasonal goods be continuous during the period of three consecutive English calendar months, and in the case of seasonal goods during the period of one English calendar month, then the buyers shall be entitled by notice in writing of their intention to do so, to cancel the contract in respect of any bales then remaining to be manufactured.

16. If for any reasons other than those mentioned in the last preceding clause any portion of the contract goods is not ready by the specified time it shall be lawful for the buyers at their option either to cancel the contract in so far as it relates to the balance of the goods not then ready for delivery, or to extend the time of delivery for such period as the Company may reasonably require, not exceeding one month, PROVIDED ALWAYS that if the buyers shall elect to cancel the contract it shall be incumbent upon them to give to the Company within 7 days after the due date for delivery of the goods not then ready notice in writing of their intention to cancel, and in default of such notice within the time aforesaid the buyers shall be precluded from cancelling the contract and the time for delivery shall be deemed to have been extended for such period as the Company may reasonably require, not exceeding one month, to make ready for delivery the balance of the goods then undelivered.

17. In any of the cases provided for in the last two preceding clauses the buyers shall not be entitled to make any claim for damages, allowance, compensation or otherwise in respect of such non-delivery or late delivery and shall pay for the goods delivered at contract rates, and in the event of the time for delivery being or being deemed to have been extended all the provisions of this contract shall apply equally to the extended time as the time originally specified including therein the remedies reserved to the Company for failure on the part of the buyers to pay for and take delivery of the goods when ready within the extended period and including the liability of the buyers for interest.

18. The buyers shall not be entitled to make any claim for an allowance or otherwise in regard to the condition of the goods when, once the goods have left the mill premises or the godown, as the case may be of the Company, unless the buyers prove that the damage was done at the mills, and the claim is lodged within 14 days of the delivery of the goods.

19. The buyers shall not be entitled to make any claim for an allowance or otherwise on the ground that the goods delivered are not in accordance with the contract unless notice in writing of their intention to make such claim shall have been given to the Company within one calendar month after the date of actual delivery of the goods to the buyers or to a carrier or other agent on behalf of the buyers. In default of any such notice the goods delivered shall be deemed to be in all respects in accordance with the contract.

20. In the event of any goods the subject of this contract or any portion thereof being destroyed or so damaged by fire, water or other cause beyond the control of the Company as to render them unmerchantable while stored at the mills or godowns of the Company pending due date of delivery, the contract in respect of such goods shall be deemed to have been cancelled by mutual consent and the buyers shall have no claim whatsoever against the Company in respect of such goods, but if the price of such goods shall have been then paid the buyers shall be entitled to a refund thereof.

21. All disputes and questions whatsoever which shall arise between the parties hereto out of or in connection with this agreement or as to the construction or application thereof or the respective rights and obligations of the parties hereunder or as to any clause or thing herein contained or any account or valuation to be made hereunder or as to any other matter in any way relating to these presents shall be referred to arbitration in accordance with the rules of the Mill-owners' Association, Bombay, for the time being in force regulating arbitrations with respect to piecegoods.

22. Notwithstanding any such reference to arbitration as aforesaid the buyers shall take delivery of the goods the subject of the reference and pay for the same as herein agreed and unless the arbitration award is to the effect that the goods under dispute are "no tender" the buyers shall be bound to accept the said goods on payment by the Company of the allowance (if any) awarded to the buyers. If, however, the arbitration award is to the effect that the goods are "no tender" the buyers shall be entitled to invoice back the said goods with any penalty the arbitrators may award.

23. Nothing appearing in the contract in any vernacular language, save only the name or signature of the buyer or his agent, shall be binding upon the Company.

**Notes :-**

1. After the coming into force of the War Risks (Goods) Insurance Ordinance, 1940, it was suggested that a clause on the following lines be inserted in the cloth and yarn contracts of all member mills. This clause affirms the buyer's liability in respect of premia paid by the seller on goods held by him at the risk of the buyer :-

"It is hereby agreed that in case the buyers fail to pay for and take delivery of the goods on the due date, the Company shall be entitled to claim from the buyers, in addition to the cost of the goods and the charges specified in clause 13 any premium paid by the Company in insuring the goods in question under the War Risks (Goods) Insurance Ordinance, 1940. PROVIDED that the buyers' liability under this clause in respect of the War Risks (Goods) Insurance Ordinance shall be limited to the amount of premium paid by the Company in respect of the goods in question. If the Company has not taken a separate policy in regard to the particular goods held by it at the risk and on account of the buyers, then the amount of premium payable by the buyers shall bear the same proportion to the total premium paid by the Company as the value of the goods which the Company holds at the risk and on account of the buyers bears to the total value of the goods insured. Nothing in this clause contained shall affect the provisions of clause 11 hereof or cause the goods to be held from and after the due date of delivery otherwise than for the account of the buyers and at their sole risk."

Member mills were advised that all contracts entered into by them on and after 31st October 1940 should contain the above additional clause which should be initialled by the buyers and the Company.

2. In July 1942, member mills were recommended to insert the following "War Emergency Clause" in their cloth and yarn contracts. This clause seeks to protect the mills in the event of their having to cancel contracts or to ask for postponement of delivery in respect of contracts entered into by them with bazaar dealers if such cancellation or postponement of delivery was necessitated by requisitions placed on the mills by the Department of Supply, the Government of India.

"Notwithstanding anything hereinabove contained or implied if an Order for goods shall be placed with the Company by or on behalf of the Government of India subsequent in date to the contract date, and if, as a result, the Company shall decide that it is unable to perform the contract in whole or in part within the contract time or times, then the Company shall within seven days of the receipt of such order give written notice (the Company's notice) to the buyer of such decision, and shall in the Company's notice state the extent of its inability to perform and within what substituted time or times the Company will be able to perform the contract. Within seven days of the receipt of the Company's notice the Buyer shall give written notice (the Buyer's notice) to the Company whether the Buyer elects to affirm the contract as varied by such substituted time or times or whether the Buyer elects to cancel the contract to the extent of the inability. If the Buyer affirms the contract as varied then, the contract shall remain in force as varied. If the Buyer cancels the contract, to the extent of the inability, then the contract shall stand cancelled to that extent, and the Buyer shall have no claim for compensation. If the Buyer fails to give the Buyer's notice to the Company within the period aforesaid, the Buyer shall be deemed to have affirmed the contract. If an order for goods shall be placed by or on behalf of the Government of India subsequent in date to any such affirmation, and if, as a result, the Company shall decide that it is unable to perform the contract in whole or in part as so varied then the like procedure shall be adopted with the like consequences. The Buyer shall be entitled if he so requires to inspect any order giving rise to such decision as aforesaid but the Buyer shall not be entitled to raise any question in respect of such decision or in respect of the extent of the inability or in respect of the time or times so substituted."

**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 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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case of non-seasonal goods be continuous during the period of three consecutive English calendar months, and in the case of seasonal goods during the period of one English calendar month, then the buyers shall be entitled by notice in writing of their intention to do so, to cancel the contract in respect of any bales then remaining to be manufactured.

16. If for any reasons other than those mentioned in the last preceding clause any portion of the contract goods is not ready by the specified time it shall be lawful for the buyers at their option either to cancel the contract in so far as it relates to the balance of the goods not then ready for delivery, or to extend the time of delivery for such period as the Company may reasonably require, not exceeding one month, PROVIDED ALWAYS that if the buyers shall elect to cancel the contract it shall be incumbent upon them to give to the Company within 7 days after the due date for delivery of the goods not then ready notice in writing of their intention to cancel, and in default of such notice within the time aforesaid the buyers shall be precluded from cancelling the contract and the time for delivery shall be deemed to have been extended for such period as the Company may reasonably require, not exceeding one month, to make ready for delivery the balance of the goods then undelivered.

17. In any of the cases provided for in the last two preceding clauses the buyers shall not be entitled to make any claim for damages, allowance, compensation or otherwise in respect of such non-delivery or late delivery and shall pay for the goods delivered at contract rates, and in the event of the time for delivery being or being deemed to have been extended all the provisions of this contract shall apply equally to the extended time as the time originally specified including therein the remedies reserved to the Company for failure on the part of the buyers to pay for and take delivery of the goods when ready within the extended period and including the liability of the buyers for interest.

18. The buyers shall not be entitled to make any claim for an allowance or otherwise in regard to the condition of the goods when, once the goods have left the mill premises or the godown, as the case may be of the Company, unless the buyers prove that the damage was done at the mills, and the claim is lodged within 14 days of the delivery of the goods.

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20. In the event of any goods the subject of this contract or any portion thereof being destroyed or so damaged by fire, water or other cause beyond the control of the Company as to render them unmerchantable while stored at the mills or godowns of the Company pending due date of delivery, the contract in respect of such goods shall be deemed to have been cancelled by mutual consent and the buyers shall have no claim whatsoever against the Company in respect of such goods, but if the price of such goods shall have been then paid the buyers shall be entitled to a refund thereof.

21. All disputes and questions whatsoever which shall arise between the parties hereto out of or in connection with this agreement or as to the construction or application thereof or the respective rights and obligations of the parties hereunder or as to any clause or thing herein contained or any account or valuation to be made hereunder or as to any other matter in any way relating to these presents shall be referred to arbitration in accordance with the rules of the Mill-owners' Association, Bombay, for the time being in force regulating arbitrations with respect to piecegoods.

22. Notwithstanding any such reference to arbitration as aforesaid the buyers shall take delivery of the goods the subject of the reference and pay for the same as herein agreed and unless the arbitration award is to the effect that the goods under dispute are "no tender" the buyers shall be bound to accept the said goods on payment by the Company of the allowance (if any) awarded to the buyers. If, however, the arbitration award is to the effect that the goods are "no tender" the buyers shall be entitled to invoice back the said goods with any penalty the arbitrators may award.

23. Nothing appearing in the contract in any vernacular language, save only the name or signature of the buyer or his agent, shall be binding upon the Company.

**Notes :—**

1. After the coming into force of the War Risks (Goods) Insurance Ordinance, 1940, it was suggested that a clause on the following lines be inserted in the cloth and yarn contracts of all member mills. This clause affirms the buyer's liability in respect of premia paid by the seller on goods held by him at the risk of the buyer :—

"It is hereby agreed that in case the buyers fail to pay for and take delivery of the goods on the due date, the Company shall be entitled to claim from the buyers, in addition to the cost of the goods and the charges specified in clause 13 any premium paid by the Company in insuring the goods in question under the War Risks (Goods) Insurance Ordinance, 1940. PROVIDED that the buyers' liability under this clause in respect of the War Risks (Goods) Insurance Ordinance shall be limited to the amount of premium paid by the Company in respect of the goods in question. If the Company has not taken a separate policy in regard to the particular goods held by it at the risk and on account of the buyers, then the amount of premium payable by the buyers shall bear the same proportion to the total premium paid by the Company as the value of the goods which the Company holds at the risk and on account of the buyers bears to the total value of the goods insured. Nothing in this clause contained shall affect the provisions of clause 11 hereof or cause the goods to be held from and after the due date of delivery otherwise than for the account of the buyers and at their sole risk."

Member mills were advised that all contracts entered into by them on and after 31st October 1940 should contain the above additional clause which should be initialled by the buyers and the Company.

2. In July 1942, member mills were recommended to insert the following "War Emergency Clause" in their cloth and yarn contracts. This clause seeks to protect the mills in the event of their having to cancel contracts or to ask for postponement of delivery in respect of contracts entered into by them with bazaar dealers if such cancellation or postponement of delivery was necessitated by requisitions placed on the mills by the Department of Supply, the Government of India.

"Notwithstanding anything hereinabove contained or implied if an Order for goods shall be placed with the Company by or on behalf of the Government of India subsequent in date to the contract date, and if, as a result, the Company shall decide that it is unable to perform the contract in whole or in part within the contract time or times, then the Company shall within seven days of the receipt of such order give written notice (the Company's notice) to the buyer of such decision, and shall in the Company's notice state the extent of its inability to perform and within what substituted time or times the Company will be able to perform the contract. Within seven days of the receipt of the Company's notice the Buyer shall give written notice (the Buyer's notice) to the Company whether the Buyer elects to affirm the contract as varied by such substituted time or times or whether the Buyer elects to cancel the contract to the extent of the inability. If the Buyer affirms the contract as varied then, the contract shall remain in force as varied. If the Buyer cancels the contract, to the extent of the inability, then the contract shall stand cancelled to that extent, and the Buyer shall have no claim for compensation. If the Buyer fails to give the Buyer's notice to the Company within the period aforesaid, the Buyer shall be deemed to have affirmed the contract. If an order for goods shall be placed by or on behalf of the Government of India subsequent in date to any such affirmation, and if, as a result, the Company shall decide that it is unable to perform the contract in whole or in part as so varied then the like procedure shall be adopted with the like consequences. The Buyer shall be entitled if he so requires to inspect any order giving rise to such decision as aforesaid but the Buyer shall not be entitled to raise any question in respect of such decision or in respect of the extent of the inability or in respect of the time or times so substituted."

**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 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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## RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON THE BOMBAY MUNICIPAL CORPORATION.

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.
2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.
3. The Committee, in consultation with the Municipal Commissioner, shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot box shall be open from 11 A.M. till 5 P.M. on that day.
4. Votes may be given either in person or through anyone duly authorized by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees Fifty paid by him as annual subscription to the Association.
5. The Committee shall appoint two Scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.
6. The candidate who has the largest number of votes shall be declared duly elected.
7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.
8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.
9. In the event of a casual vacancy, an appointment to fill such vacancy shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

*Sections of the City of Bombay Municipal Act, III of 1888, as subsequently amended, pertaining to the Election of Councillors by the Bombay Millowners' Association.*

Section 5.

- (1) The Corporation shall consist of one hundred and seventeen Councillors, as follows:—

(i) Elected Councillors—

(a) One hundred and six Councillors elected at ward elections;

(b) 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;

(c) Four Councillors elected by delegates.

(ii) Three *ex-officio* Councillors, namely:—

The Police Commissioner;

The Executive Engineer, Presidency Division, Public Works Department, Bombay;

The Chairman of the Board of Trustees of the Port of Bombay.

Section 6.

- (1) [Repealed by Act XVI of 1895.]

(2) Councillors elected to succeed retiring Councillors shall come into office on the day for the retirement of the Councillors whom they are to succeed.

Section 7.

(1) All elected Councillors 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.

(2) The term of office of an *ex-officio* Councillor shall continue so long as he holds the office by virtue of which he is such Councillor.

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 has resided in the city for six months immediately preceding the date of the election.

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.

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Section 31.

(1) An election of a Councillor by a Chamber or 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, as the case may be, subject to the provisions of Section 15, in accordance with the rules made by the said Chamber or Association 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.

**RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE ASSOCIATION AS A FELLOW  
ON THE SENATE OF THE UNIVERSITY OF BOMBAY.**

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1. The Committee shall fix a day for a Meeting of all members of the Association for the purpose of electing a representative of the Association to serve as a Fellow on the Senate of the University of Bombay.
  2. The Secretary of the Association shall notify all members of the Association of the date fixed for such meeting.
  3. Candidates shall be nominated in writing duly proposed and seconded by members of the Association, and signed in each case by authorized representatives whose names have been duly entered in the List of Persons Eligible to Act and Vote maintained by the Association under Rule 13 of the Association's Rules and Regulations, and the nomination papers must be received by the Secretary at least ten clear days before the date of the meeting at which the election is to take place.
  4. Nominations shall be sent to the Secretary on the prescribed form.
  5. No nomination shall be valid unless the candidate proposed and seconded also signifies his assent to the nomination on the nomination paper.
  6. In the event of there being only one valid nomination such candidate shall be deemed to have been elected by the members of the Association and the Committee shall thereupon declare that he has been duly elected.
  7. The Chairman or in the event of his being a candidate or out of Bombay the Deputy Chairman shall determine whether nominations are valid or invalid. In the event of the Deputy Chairman also being a candidate or out of Bombay the Committee shall appoint a member of the Committee other than the Chairman or Deputy Chairman and not being himself a candidate to perform this duty and to preside at the meeting.
  8. The Secretary shall if more than one nomination shall have been received by him notify to all members of the Association the names of all candidates duly proposed and seconded at least 7 clear days before the date fixed for the meeting.
  9. The Chairman or in the event of his being a candidate or out of Bombay the Deputy Chairman or in the event of his also being a candidate or out of Bombay the member of the Committee appointed under Rule 7 shall take the chair at the meeting. He shall appoint two Scrutineers from among the members of the Committee present whose duty it will be to open the box at the end of the ballot, count the votes and declare the result.
  10. Ballot papers with the names of the candidates shall be handed to the representatives of members while the ballot is open.
  11. The ballot box shall be kept open in the room in which the meeting is held, for one hour from the time it is declared open by the Chairman of the meeting, for the reception of the ballot papers.
  12. Votes shall be cast on the ballot paper and deposited in the ballot box.
  13. In the event of a ballot paper being spoiled or torn, the member concerned may ask for a new ballot paper, surrendering the spoiled or damaged paper.
  14. Members shall record their votes through their authorized representatives whose names have been duly entered in the List of Persons Eligible to Act and Vote maintained by the Association under Rule 13 of the Association's Rules and Regulations.
  15. The quorum necessary at this meeting shall be two.
  16. Each subscribing member shall be entitled to one vote for every sum of Rs. 50 paid by him as the annual subscription to the Association.
  17. The candidate who has the largest number of votes shall be declared duly elected.
  18. In the event of there being a tie, the Committee shall decide by a ballot at a meeting specially convened for the purpose, which of the candidates shall be deemed to have been elected by the members and shall thereupon declare that he has been duly elected.
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