

REPORT
OF
The Millowners' Association,
Bombay.

Report for the year 1935.

(Established 1st February 1875.)

**PRESENTED TO THE ANNUAL GENERAL MEETING
HELD ON MONDAY, 23rd MARCH 1936.**

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THE MILLOWNERS' ASSOCIATION, BOMBAY.

REPORT FOR THE YEAR 1935.

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ESTABLISHED 1st FEBRUARY 1875.

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Millowners' Association, Bombay.

Section I.

PROCEEDINGS OF THE ANNUAL GENERAL MEETING
HELD ON 23rd MARCH 1936.

The Millowners' Association, Bombay.

ANNUAL GENERAL MEETING.

PROCEEDINGS OF THE ANNUAL GENERAL MEETING of the Members of the Millowners' Association, Bombay, held in the rooms of the Association (Patel House, Churchgate Street, Fort) at 11-30 a.m. (S.T.), on Monday, the 23rd March 1936, to transact the following business :—

- (1) To receive and adopt the Committee's Report for the year 1935 ;
- (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.

Sir Joseph Kay, Kt., Chairman of the Association, presided.

The following gentlemen were also present :—

Mr. M. Slade, I.C.S., Collector of Customs, Bombay ; Dr. Nazir Ahmad, Director, Technological Laboratory, Indian Central Cotton Committee ; Mr. T. W. Johnstone, M.B.E., Chief Inspector of Factories ; Mr. J. Pratt, M. I. Mech. E., M.I.E., Chief Inspector of Steam Boilers and Smoke Nuisances ; Mr. A. K. G. Hogg of the Bombay Chamber of Commerce ; Mr. Rahimtoola M. Chinoy of the Indian Merchants' Chamber ; Mr. N. S. Kowshik, Assessor and Collector of Municipal Taxes ; Mr. H. C. Short, Lancashire Cotton Commissioner in India ; Mr. E. A. Mackenzie-Bell ; Mr. Jal Rutnagar ; Mr. J. N. Mody ; Sir Ness Wadia, K.B.E., C.I.E. and Mr. Neville N. Wadia, representing the Bombay Dyeing and Mfg. Co., Ltd. ; Sir Chunilal V. Mohta, K.C.S.I., representing the Century Spg. & Mfg. Co., Ltd., and the Sholapur Spg. & Wvg. Co., Ltd. ; Mr. V. N. Chandavarkar, representing the Modern Mills, Ltd., the Minerva Mills, Ltd., and the Mysore Spg. & Mfg. Co., Ltd. ; Mr. Dharamsey Mulraj Khatau and Mr. Laldas Tribhowandas, representing the Khatau Makanji Spg. & Wvg. Co., Ltd. ; Mr. B. L. Ferard, Mr. A. H. Baker and Mr. D. Moir, representing the Colaba Land and Mill Co., Ltd., the New City of Bombay Mfg. Co., Ltd., and the New Great Eastern Spg. & Wvg. Co., Ltd. ; Mr. A. Geddis, representing the Finlay Mills, Ltd., the Gold Mohur Mills, Ltd., the Satya Mill Ltd., and the Swan Mills, Ltd. ; Mr. S. D. Saklatvala, M.L.C., representing the Ahmedabad Advance Mills, Ltd., the Central India Spg., Wvg. & Mfg. Co., Ltd., the Svadeshi Mills Co., Ltd., and the Tata Mills, Ltd. ; Mr. Krishnaraj M. D. Thackersey and Mr. Hurgovandas Jamnadas Ramji, representing the Crown Spg. & Mfg. Co., Ltd., the Hindoostan Spg. & Wvg. Co., Ltd., the Indian Mfg. Co., Ltd., the New Kaiser-I-Hind Spg. & Wvg. Co., Ltd., and the Western India Spg. & Mfg. Co., Ltd. ; Mr. A. Pether, representing the Sassoon Spg. & Wvg. Co., Ltd., the Sassoon & Alliance Silk Mill Co., Ltd., and the Union Mills ; Mr. A. M. Mehta, representing the Sir Shapurji Broacha Mills, Ltd., and the Madhowji Dharamsi Mfg. Co., Ltd. ; Mr. C. P. Wadia, representing the Moon Mills, Ltd. ; Mr. M. M. Amersey, representing the Madhusudan Mills, Ltd. ; Mr. Cavasji Cursetji Dalal, representing the Jam Shri Ranjitsinghji Spg. & Wvg. Mills Co., Ltd., and the Khandeish Spg. & Wvg. Mills Co., Ltd. ; Mr. Kaikobad Cowasjee Dinshaw, representing the Burhanpur Tapti Mill, Ltd. ; Mr. H. F. Commissariat, representing the Bombay Cotton Mfg. Co., Ltd. ; Mr. B. S. Dabke, representing the Morarjee Goculdas Spg. & Wvg. Co., Ltd. ; Mr. Maganlal C. Ghia, representing the Rai Bahadur Bansilal Abirchand Spg. & Wvg. Mills ; Mr. L. A. Halsall, representing the Hyderabad (Deccan) Spg. & Wvg. Co., Ltd. ; Mr. W. L. Hartigan, representing Messrs. Courtaulds (India), Ltd. ; Mr. Meyer Nissim and Mr. D. J. Registrar, representing the Model Mills, Nagpur, Ltd., and the Berar Mfg. Co., Ltd. ; Mr. A. L. Paramor, representing the Apollo Mills, Ltd., the E. D. Sassoon United Mills, Ltd., the Edward Sassoon Mills, Ltd. the Elphinstone Spg. & Wvg. Mills, Ltd., the Loyal Mills, Ltd., the Meyer Sassoon Mills, Ltd. and the Raymond

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

GENTLEMEN,

Since we met a year ago, death has claimed a heavy toll. By the demise of His Majesty King George V, the Empire has suffered an irreparable loss, and there can be no greater tribute to him than the growth of our feelings and regard for him through the 25 years of momentous changes which he had to face, and which he successfully surmounted during his reign. It is sad to think that memories of his Silver Jubilee—so full of pride and happiness—should so soon have turned to grief, a sad and heavy burden, lightened somewhat by the accession to the Throne of his son, King Edward VIII, who by his affectionate nature and cheerful disposition has already won the hearts of his subjects. To him we tender our humble loyalty.

Death has also taken away from us two close and sincere friends and colleagues, Sir Dinshaw Wacha and Mr. F. E. Dinshaw. Both of them, over a long period of years, rendered directly and indirectly—signal services to our Association, and as was only fitting, we placed on record our great appreciation of all they did for the common good, and our acknowledgment of their labours, so willingly given, for the benefit of the Cotton Textile Industry.

I now present to you the Report of the Committee for 1935, and, as is customary, shall survey, as briefly as possible, the important events of a somewhat difficult year. Speaking generally, the world's business turnover showed a steady, if small, upward movement over the two preceding years, and a good feature in the general situation was the development of a better equilibrium between wholesale and retail price levels, whilst the "spread" between the prices of primary commodities and manufactured goods has tended to narrow in many countries, thus raising the purchasing power of large sections of the world's population.

Unfortunately, since the turn of the year, the political horizon has been darkly clouded, and the war-like atmosphere now prevalent has placed the Continent of Europe in a situation approximating to that which existed on the eve of the Great War. The political tension and distrust which has arisen during the last few years have led to emergency measures of various kinds being undertaken in several parts of the world, so as to provide countries with the finance required for national defence. This obviously means increased taxation, and eventually must tend to reduce the purchasing power of the countries concerned. Let us hope that there are still enough sane Statesmen left in the world to prevent another conflagration, for, in my opinion, it is only by a continuance of international amity that a return to prosperity can be assured.

In so far as India is concerned, 1935—judging from the figures available—showed little progress from the point of view of trade recovery over 1934, for while there was some improvement in both imports and exports, the balance of trade in merchandise in favour of India showed a small deterioration of some Rs. 55 lacs.

Turning to the Cotton Textile Industry, the world's spindles and looms—taking them as a whole—do not appear to have been much more fully employed than they were in 1934. The United States of America and Great Britain both register declines in the numbers of spindles and looms working, but on the other hand, India and China expanded their production, while the output of cotton goods in Japan remained practically stationary. In Japan, however, there was a very significant increase in the output of artificial silk goods.

THE STATE OF THE INDUSTRY AND DOUBLE-SHIFT WORKING.

I will now confine myself to Indian conditions. A year ago, my predecessor gave you words of caution about over-production, and the necessity of a well regulated control of output. This matter has had the consideration of your Committee on more than one occasion during the year, but it has not been possible to come to any working arrangement, due chiefly to the difficulty of getting up-country Mills to see eye to eye with us, and even amongst our own members there have been—and still are—differences of opinion on this important matter.

The Industry in 1935 passed through another wave of depression, as is revealed by the Balance Sheets now being issued, and most Mills show little or no profit on the year's working, but can we put this down entirely—as is done in some quarters—to over-production? Surely, internal and external competition has played an all-important part in making the marketing of our goods unremunerative. Obviously, a curtailment of output would adjust price levels with little or no effect upon the consumer, but we must not let this consideration over-ride the important one of the full utilization of machinery and plant in order to bring down our costs of production, which, with the advent of the 54 hours week, have had a tendency to rise.

Unfortunately, there are no figures available of up-country Mills,—I mean particulars of stocks and the like—so that it is difficult for me to give an accurate review. But this is how I see it:—

If present production continues and imports remain at last year's levels, the country in 1935-36 will be asked to consume about 6,300 million yards of cotton piecegoods of all descriptions, including imports and handloom productions. This is a 25 per cent. higher figure than ten years ago, but on the other hand prices have so declined that the total amount being spent on cotton piecegoods to-day is very much less than what it was ten years ago. I estimate that over the last five years India has spent about 110 crores of Rupees per annum on piecegoods, as against an average of 140 crores of Rupees in the previous five years. In 1935-36 she will spend about 116 crores, so that, in terms of money value, the country should be able to maintain her spending capacity on piecegoods, unless, of course, we get an unexpected fall in commodity values. One should remember, too, that India's population is increasing, having risen from 336 millions in 1925-26 to 370 millions in 1935-36.

Now if you will bear with me for a moment, I will briefly examine the Bombay City and Island position, for it is that with which we are all so closely concerned. I find that in the first half of the last decade, Bombay's production averaged 900 million yards per annum; in the second half of the decade, the production averaged 1,100 million yards per annum. Both these five-year periods were greatly affected by strikes and trade depression, but it is interesting to note that in 1931, 1932 and 1933, Bombay was producing practically the same quantity of piecegoods as she is producing to-day with partial double-shift working, i.e., 1,200 million yards in each of the three years concerned.

The position is somewhat different in the case of up-country centres, where an expansion of the industry in the shape of new Mills and very general double-shift working has taken place, and it is in this direction—as I see it—that over production, if any, has taken place.

The figures at our disposal also go to prove that stocks in the Bombay Mills are by no means as heavy as they were in the years 1931, 1932 and 1933, and cannot by any means be described as abnormal.

It is clear to me that what is happening is over-production in certain kinds of cloth, which have had to be marketed at unremunerative rates, and this, in turn, has affected the prices of other kinds generally. If other Mills are contemplating expansion or double-shift working, I advise them, before doing so, to make a careful study of the information regarding production which is at their disposal at the Office of the Association.

I suggest to you that the solution of unremunerative rates is a minimum price fixing arrangement for certain standard cloths, an arrangement which, in my view, does not—given the good-will it deserves—present a great deal of difficulty, provided the main producing centres fall into line. Bombay should also investigate the possibility of increasing her overseas markets.

SPECIAL TARIFF BOARD.

The outstanding event of the year under review has been the enquiry by the Special Tariff Board regarding the extent of the duties required to afford adequate protection to the Indian Cotton Industry against imports of cotton piecegoods and yarn from the United Kingdom, and from what appeared to be simple and limited terms of reference, arose a searching and detailed enquiry, not only of the goods we manufacture and their market prices, but also a microscopic investigation into our costs, which entailed a tremendous amount of labour and thought, and the Association is under a deep debt of gratitude to all those who, at considerable sacrifice of time, assisted in the preparation of our case. As the matter is still *sub judice*, it is not politic for me to make any observations to-day, except to say that as has been the case in other Tariff Board Enquiries, one of the difficult features has been the fact that it is hardly possible to form exact comparisons of Indian mill-made goods with imported goods, but Sir Alexander Murray and his colleagues have worked assiduously and with infinite patience, to find a solution. Their report, I am led to believe, is about to be presented to Government, and as it may be expected that it will take the Government of India some time to consider the Board's recommendations, I consider an official announcement ought to be made stating that the *status quo* will be maintained until the date on which Government expect to be able to release the Report and state their recommendations.

My own opinion, in view of the negotiations which are about to be commenced over the Indo-Japanese Trade Convention and Protocol, is that whatever the findings of the Tariff Board may be—and I assume they will be favourable to our Industry—it would be in the best interests of all concerned not to release the Report at this juncture.

I have just referred to the enormous amount of time and labour spent in compiling the case presented to the Tariff Board, and agree with the suggestion made by Sir Hormasji Mody in the Legislative Assembly a few days ago that something should be done to expedite decisions by Government on tariff matters. The present arrangements are cumbersome and in many ways unsatisfactory. This is partly due to the fact that whenever a case for protection is examined, the Board appointed has, in the first instance, generally to absorb the rudimentary technicalities of the particular trade or industry whose case is being examined. This invariably takes time, and I would suggest if it is not possible to adopt an expeditious procedure somewhat similar to that followed in Great Britain, that a majority of any Board appointed to deal with a major industry should possess knowledge and experience of the particular trade or industry with which the Board is, for the time being, concerned. In other words, the constitution of the Board should vary according to the particular trade or industry being dealt with. Even after the submission of the Board's report to Government, there has often in the past been a very long delay in the publication of Government's decisions on a Board's recommendations. During the time which elapses between the submission of a case to the Tariff Board and Government's decisions on the report, the industry concerned is invariably adversely affected owing to the uncertainty in the minds of the merchanting community as to the rates of duty which will eventually be levied, and everything possible should, therefore, be done to reduce this period of uncertainty to a minimum. It is also very necessary, judging by the experience of our own industry, whenever protection is given as a result of a governmental enquiry, that protection should be for a reasonably long period, and this period should not, except in very special circumstances, be less than five years.

LABOUR AND LABOUR LEGISLATION.

With the exception of small isolated strikes, labour has been contented and worked well throughout the year, and for once in a way we have had "peace in the Industry." For this we have, in part, to thank the successful working of the Bombay Trade Disputes Con-

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cillation Act, a measure which—despite its somewhat unusual character—has, as was expected by its sponsors, enabled the prompt settlement of individual grievances and prevented quite a number of disputes, which, had they not been settled satisfactorily without delay, might easily have led to serious stoppages of work. For the successful application of the Act for the development of more harmonious relations between employers and workmen, we have to thank the Government Labour Officer, Mr. W. Gilligan, I.C.S., and our own Labour Officer, Mr. Dalal. Mr. Gilligan has gone on a well-earned leave, and we hope his successor, Mr. Pryde, will soon obtain the same confidence of labour as did his predecessor, so that with our joint efforts, constant labour troubles, such as we have experienced in the past, and which caused such tremendous losses to all parties concerned, will disappear. It is worthy of note to record that during the whole year only 57,803 working days were lost, as against—cutting out strike years—an average of over 2 lacs of working days in the last four years.

You will remember that in 1934 the Association took a step forward by fixing a minimum wage for all time workers, to be adopted in all Mills in Bombay. I am glad to say that with the efforts of both the Labour Officers, there is now not a single Mill in Bombay where any worker in a scheduled occupation is paid below that minimum. The next step to take will be to standardize wages for piece-workers—a matter which presents considerable difficulties, but, with that end in view, figures have been, and are being, collected of actual earnings of all classes of piece-workers each month from every member Mill, data which will be useful and essential when this problem comes up for solution.

Other reforms to promote the well-being of our workers have been initiated during the year, such as: the record card system for Head Jobbers, and a scheme to control and regularize the employment of *badtis*. The Leave and Discharge Pass procedure has been revised and systematized, with the dual object of ensuring that workers are not irregularly dismissed, and that workers returning from leave in time are assured of re-employment. This type of work I now consider to be of paramount importance, as do also the Government of Bombay, and I want to take this opportunity of saying how much I have appreciated the help and sympathy of His Excellency the Governor, who takes a keen personal interest in this matter.

I foresee a development of the utility of our Association as a result of the increase in the number of problems relating to labour matters with which the Association, its Labour Sub-Committees, and the Labour Officer are called upon to deal. In the near future, it will probably be necessary to set up a separate department or section in the Association to deal exclusively with labour and welfare matters. This department working in conjunction with the Government Labour Officer should not only be in a position to prevent strikes and adjust workers' grievances, but should also be an effective instrument in bringing about a number of valuable internal reforms and universal standards of working conditions in Bombay.

The year has been notable for the number of welfare and labour matters with which your Committee had to deal. We have discussed proposals made by the International Labour Office on the subject of "Holidays with Pay" and "Sickness Insurance," and the year has seen the introduction of a new Factory Act and Rules; and considerable time and thought was spent on the Payment of Wages Act which recently took its final shape in the Legislature.

This Association has always taken a sympathetic attitude in all measures which affect labour, but we feel the time has come to call a halt in labour legislation, and in this the Government of India seem to have sympathy with us, for the Commerce Member, in introducing the Railway Budget recently, definitely indicated that the introduction of legislation on the lines indicated by the Whitley Commission has increased working costs, and pointed out the need for a halt in labour legislation.

The Prompt Payment of Wages Bill, which indicates a reformed labour code, needs careful study and may necessitate some revision of the Association's standing orders under which our workers are employed. It provides for an earlier payment of wages than hitherto; a limitation of powers for deduction from workers' wages for fines, bad workmanship, etc., and takes away the employers' right to forfeit operatives' wages in lieu of notice, except in

abnormal cases, such as lightning strikes. We are indebted to Sir Hormasji Mody for the stout fight he put up in the Legislative Assembly, when he got an amendment passed which would permit employers to deduct 13 days' wages in the event of lightning strikes, to which we are legally entitled under the existing contracts of employment. But as you know, a Council of State amendment reduced the legal forfeiture to 8 days' wages only, and that, too, after satisfying a good many conditions. These changes are, to my mind, very disturbing, and whilst I am aware that both sides have a right of redress under the ordinary law of contract, I am afraid that in practice little use will be made of the law Courts for our reclaiming small sums of money. Many of you will remember that this matter was the subject of much discussion before the Fawcett Committee of 1928, and after careful consideration that Committee came to the conclusion "that a period of 14 days' notice on either side was fair and reasonable."

COTTON.

Cotton, as is natural, has played an important part in the year's work of the Association, and we welcomed the introduction of the Cotton Ginning and Pressing Factories Bill, which, when applied, ought to stamp out many malpractices, such as the watering and mixing of cotton, and we are particularly interested in its application to the new areas of cotton in Sind, from whence under post Barrage conditions, we hope to secure more and more supplies of pure and unmixed staple cotton suitable for the finer goods which we are producing in greater quantities year by year. I understand that the acreage under staple cotton has increased from 60,000 to 360,000 and that the total acreage under cotton in Sind will soon reach the figure of one million acres.

We also appreciate the passing of the Act providing for the prohibition of the cultivation of Goghari cotton, and the mixing of such cotton with other cotton, a measure which became so necessary in order to prevent mixing with 1027 A.L.F. in the Surat zone South of the Nerbudda.

Several measures of trading reforms have, during the year, been put before us by the East India Cotton Association, but in certain cases we had to express the view that they were unworkable, and, in so far as we were concerned, unnecessary. We have been accused of lack of interest in the work of the East India Cotton Association, and it has been suggested to me that this is probably due to the constitution of that body, the control of which is in the hands of one section of the trade only; and as we are vitally interested in the conditions under which cotton is marketed, it is essential that our Associations be brought closer together. I hope my successor in office will take a very early opportunity of arranging a meeting, so that points of difference can be discussed and threshed out to our mutual benefit.

MUNICIPAL ASSESSMENT OF COTTON MILLS.

My review would not be complete without a reference to the Municipal Assessment of Cotton Mills, a matter which has dragged on for a very long time, but I am glad to say a settlement is at last in sight. As you know, judgment was given in the Meyer Sassoon Test Case last June, but the Municipality and ourselves could not agree as to how, in certain cases, the judgment should be applied, and there was a sharp difference of opinion as to what the learned Judge meant by: "Gross Letting values"; "what constituted main buildings" and "what scale would apply to Mills stopped owing to depression in trade." A further reference to the Court, therefore, became necessary, but the next few days ought to see a settlement of this long drawn-out matter.

INDO-JAPANESE TRADE CONVENTION AND PROTOCOL.

In 1933 a new Trade Convention with Japan was entered into. The essential feature of the Convention was that it re-established the principle of most-favoured-nation treatment to Japan, which had ceased to exist after India had denounced the 1905 Convention. Attached to the 1933 Convention is a Protocol which provides that Japan shall take a minimum of one million bales of raw cotton from India against a basic allotment of 325 million

yards of cloth and gives her right to send not more than 400 million yards of cotton piecegoods to India, if Japan's takings of raw cotton from India amounted to 1½ million bales. The Protocol without the Convention automatically comes to an end on the 31st March 1937, and the Convention will terminate on the same date, if denounced by either of the contracting parties. Inter-Governmental negotiations are likely to take place shortly concerning the basis of any new arrangement to be entered into after March 1937. As far as the Indian Cotton Manufacturing Industry is concerned, the present quota arrangement has not been satisfactory, as it has not had the effect expected of it in maintaining price levels, and has lent itself to a considerable amount of evasion, and in the light of our experience, it is essential, if any new quota arrangements are made, that fents, artificial silk goods and yarn be included. In the revision of this Treaty we have much in common with those vitally interested in raw cotton, both growers and merchants, and perhaps in a lesser degree with what we know as the Minor Industries.

In the years 1926 to 1931, India had a very favourable balance of trade with Japan, but since then exactly the reverse has been the case as India has been purchasing more than she has been selling, due to the expansion of Japanese exports of commodities such as glassware, boots and shoes, hardware, woollen goods, cycles, umbrellas, etc., etc., so that it is hoped when negotiations are commenced, they will not be limited, as on the last occasion, to the restricted issue of raw cotton and textiles, as so many minor industries are now concerned. We trust, before negotiations with Japan commence, that the Government of India will meet the Commercial and Industrial interests in conference, so that a free exchange of views can take place on this very important matter. We have a special Sub-Committee dealing with this, and hope to submit our views to the Government of India in the next few weeks.

THE FUTURE AND INDUSTRIALIZATION.

Now, as to the future! True, we are passing through a period of depression brought about by a variety of causes, some of which I have already mentioned, but once we have the Special Tariff Board Report out of the way, and a settlement of our Trade relations with Japan, I believe we shall see more prosperous days. And why should it not be so? We are still importing over 1,000 million yards of cotton piecegoods and large quantities of fents and artificial silk goods of all descriptions. The efficiency of our Mills has improved, and is improving year by year, and with an increasing population, I foresee a still further expansion of the Industry in this country as years go by. The consumption of cloth per head of population is still only a little higher than it was in 1912, whilst the price of Indian-made cloth is lower than it has been in the last 20 years, and that in spite of Protection and Quota Agreements. As is well known, the last few years have seen a distinct movement of the Cotton Textile Industry from West to East; Japan, China and India have increased their spindleage and loomage tremendously, whilst America and Great Britain have to record a heavy decline in working machinery, and whilst I preach no doctrine of self-sufficiency, I cannot come to any conclusion other than: whatever Tariffs or Agreements are made, we must supply more and more of the country's needs in the shape of textile manufactures.

Industrialization is profoundly important to this country, and must not be judged by the embarrassments which it may occasion to Western interests and Western industries. It provides more work for the people, and relieves the pressure on the land, and must lead to—what is so necessary in India—a better and higher standard of living for the agriculturist.

DOMESTIC AFFAIRS.

And now, in conclusion, Gentlemen, I must thank the Committee and all those who have rendered me such valuable help in the work of the Association during the year, and hope you will not accuse me of being invidious if I mention specially the names of Sir Hormasji Mody, Mr. S. D. Saklatvala and Mr. F. Stones. Sir Hormasji Mody and Mr. Saklatvala watch our interests with care and effect in the Legislatures, whilst Mr. Stones renders wise counsel on technical matters, which play such an important part in the Association's work. To the Deputy Chairman, Mr. Chandavarkar, I am deeply grateful

for his loyal support and advice during my year of office, and you are fortunate in having secured him as your Chairman for the coming year. I feel sure his wide knowledge of public affairs will enable him to fill the office with distinction. As you know, he is particularly interested in the application "of science to industry," and it is through his initiative that the Bombay University has recently installed a complete miniature dyeing, bleaching and mercerising plant for research work on problems of chemical technology. I sincerely hope that the trade will make full use of that Institution and send to it for solution practical difficulties with which they meet from time to time in the production of printed, dyed, mercerised and finished goods.

I am glad to see Mr. Dharamsey Mulraj Khatau as your Deputy Chairman. Coming from a family of long connection with the Mill Industry, and with youth and keenness on his side, I am looking forward to him becoming a valuable asset to the Association.

Mr. Maloney, Mr. Aiyer and the Staff have once more rendered efficient and loyal service, and have maintained the high standard which Mr. Maloney has set for the secretarial department, and which has placed the Association in a category by itself. In years when Tariff Board Enquiries are held, the extra work involved for the staff is appalling, and I am grateful to them for the ready and willing response to the calls I made on them.

And now, finally, from the statement of accounts submitted, you will find that our finances are in good shape, and as a result of the year's operation, we show a balance of income over expenditure of some Rs. 14,800. This, I am sure you will agree, is satisfactory.

In this connection, I may inform you that early in June the Committee donated a sum of Rs. 1,000 from the funds of the Association to the Mayor's Quetta Earthquake Relief Fund. I trust you will confirm this contribution. In addition to the contribution from the Association, a sum of about Rs. 11,000 was raised from Mill Agents, Mill Staffs and Mill Workers. This, following the efforts we made on behalf of the Silver Jubilee Fund, when some Rs. 33,325 was collected, is very creditable indeed, and I am very grateful for the willing response made to my appeal for these two deserving objects.

I now beg to move "that the Report of the Committee for the year 1935, be and is hereby approved and adopted."

MR. V. N. CHANDAVARRAR, in seconding the adoption of the Report, said :—

For the second year in succession, it is my privilege to second the adoption of the Annual Report. The Chairman has just given you a very lucid survey of some of the problems with which the Association had to deal during the past year and of the prospects of the Industry in the immediate future. He has left to me to deal briefly with a few other important matters which have engaged the attention of the Committee.

HAMMOND COMMITTEE'S REPORT.

As you are aware, the Hammond Committee recently submitted an unanimous report regarding the delimitation of constituencies which will be entitled to send members to the Central Legislature. Under the new constitution, the Association has again been granted representation in the Assembly alternately with the Ahmedabad Millowners' Association. We have for many years been urging the desirability of continuous representation in the Central Legislature for the important industrial interests which our Association represents, and we still maintain that, in view of the important services rendered by a succession of eminent representatives in the past, Government might have acceded to our demand. At the same time, in view of the fact that the Lothian Committee had originally made no provision for either the Ahmedabad Millowners' Association or ourselves, we must be thankful for small mercies. "Half a loaf is better than no bread" at all, and for the half loaf we have received we must express our gratitude to Sir Hormasji Mody, who, during the last three years, has fought unceasingly to obtain a revision of the Lothian Committee's recommendations which would have made it impossible for the Association to contribute its quota as effectively as it has during the last fifty years to the cause of good Government.

IMPORT DUTY ON DYESTUFFS.

The improved financial position of the country had rather led us to hope that some at least of the temporary surcharges imposed in the emergency budget of September 1931, would have been removed. A very strong case existed for the entire remission or a substantial reduction in the import duties which were then imposed on Dyestuffs and Sodium Hydro-sulphite from both of which commodities, owing to the improvement in the quality of the goods our mills are turning out, Government have been receiving very much more revenue than they ever expected to receive, when the duties were imposed. The representations which we have made in this connection appear, however, to have fallen on deaf ears, and for at least another year it would seem that the hindrance of these taxes to the diversification of our production will have to continue.

DUTY ON FENTS.

Our representations for more equitable duties on fents have, however, met with a happier fate, for we have recently learnt that the duty on fents of all descriptions will shortly be raised from 35 per cent to 50 per cent. and that the maximum length of fents which will be permitted to enter India will be reduced from 4 yards to 2½ yards. We have not so far received full details of Government's proposals, but, as far as artificial silk fents are concerned, we are rather doubtful as to whether the new duties will effectively prevent the entry of spurious fents, unless the specific duty applicable to perfect artificial silk goods, i.e., 4 annas per square yard, is also made applicable to short cut pieces, the importation of which from Japan has been an outstanding feature of the year 1935.

PROTECTION TO THE WOOLLEN MILL INDUSTRY.

The report of the Tariff Board on the case for protection to the Indian Woollen Industry was published, together with the decisions of the Government of India thereon, in January last. Without worrying you with the details, I may say that the Tariff Board recommended considerably higher duties than now exist on importations of both woollen and worsted piecegoods from foreign countries, but no protection was recommended on woollen or worsted yarns, as the Board found that Indian mills had hitherto been unable to meet the demand of subsidiary industries, and that the handloom industry and hosiery industry required cheap yarns in order to safeguard their existence. The Government of India, however, turned down the recommendations of the Board holding, in so far as the worsted industry is concerned, that, if it was true that for so long a period as could be foreseen worsted manufactures would be mainly dependent on foreign supplies, the worsted branch of the industry, already handicapped by the comparative smallness of its home market, completely failed to satisfy the first and most important condition precedent to the grant of protection. In other words, the Government of India turned down the Tariff Board's recommendation in regard to the worsted industry mainly on the ground that its raw material had to be imported from abroad. Your Committee feel that such a decision was most unjust and that it creates a dangerous precedent since, carried to its logical conclusions, India would be hampered in developing industries, unless the raw materials for those industries were available in the country. In other countries industrial development is certainly not penalized in this manner. As regards the woollen industry, Government turned down the recommendations of the Board on the ground that the quantum of protection could not be properly determined in the absence of evidence from a section of the industry representing at least 50 per cent. of its production. Government, however, realized that the defects in the case for protection were not necessarily irremediable and proposed to refer the Woollen Industry's case back to the Board in order to enable those interests, which had not yet thought fit to give evidence, to substantiate a case which would otherwise go by default. We can only hope that the mills concerned will, in the interests of those mills who have already established a claim to protection, take an early opportunity of supplying the Tariff Board with facts which will enable them to come to an early and favourable decision in this matter.

POWER COSTS.

The important question of power costs was again dealt with during the year. Speaking to you a year ago, I mentioned that the Hydro Electric Agencies intended from 1st July 1935, to introduce an amended rate schedule which would have the effect of raising the

discount obtainable by mills from 10 to 15 per cent., if their power factors were raised to unity. Despite this concession, for which we are, of course, grateful, in view of the fact that member mills were under contract to take power from the Hydro Electric Companies at higher rates, it appeared from figures taken out by a number of mills that, if free to do so, mills could generate their own power considerably more cheaply. The difference in favour of mill-generated power over Hydro electric power was even more substantial, when the cost of process steam was taken into consideration. Details of the relative costs were submitted to the Hydro Electric Agencies some months ago, and it was, at the same time, pointed out that a number of new mills, both in Bombay and up-country centres, were very favourably placed in comparison with the rest of the Bombay Mills owing to their lower power costs. This being the case, a number of mills now taking electric power from the Hydro Electric Agencies would very probably revert to the use of their own power, when their existing contracts came to an end, unless further substantial concessions in power charges could be granted. We now learn that, in the near future, it is probable that a new schedule of power charges will be introduced; unfortunately, the reduction in power costs which will accrue as a result of the application of this new schedule of rates will probably be insufficient to allay the prevailing dissatisfaction in regard to Hydro Electric power charges. I can only hope that, in continuance of their policy of progressive rate reduction as financial conditions permit, the Hydro Companies will, in their own interests as well as in the interests of the Industry, do something to bring their charges more into line with the cost of power generated by the mills themselves at a very early date.

PRICE REGULATION SCHEME.

I am largely in agreement with the Chairman's suggestion that one of the most important problems with which the Association must endeavour to deal in the immediate future is the question of the prices at which staple lines produced in Indian mills are marketed, but in this matter Bombay is hardly in a position, producing as she does only one-third of the country's total output of mill-made cotton goods, to act alone. Given, however, the good-will and co-operation of the more important up-country centres and manufacturers, I am sure your Committee will be prepared to undertake to investigate fully the possibilities of regulating prices in order to ensure that the bare costs of manufacture in efficient mills are adequately covered.

With these words, gentlemen, I have much pleasure in seconding the adoption of the report.

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

On the motion of Mr. Dharamsey Mulraj Khatau, seconded by Mr. S. D. Saklatvala, M.L.C., it was resolved:—

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

Sir Chunilal V. Mehta, K.C.S.I., proposing and Mr. A. Geddis seconding, 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	1,500
The Police Comforts Fund	1,000
The Textile Technical School	700
The Sir J. J. Hospital Nursing Association Fund	500
The K. E. M. Hospital Poor Box Fund	400
The Naigaum Social Service Centre	350
The Goculdas Tejpal Hospital Nursing Association Fund	200
The Bombay Textile and Engineering Association	200
The Maharashtra High School	150
Total Rs. ..	5,000

In proposing a vote of thanks to the outgoing Chairman and Committee, **SIR NESS WADIA** said :—

Gentlemen, as the oldest member of the Committee, it falls to my lot to propose a vote of thanks to our Chairman, Deputy Chairman and the Committee for the last year. The vote I propose is not the ordinary routine one. The Committee had a hard year and at times had to sit for hours together over facts and figures for the Tariff Board appointed by Government and presided over by Sir Alexander Murray which was investigating the protection necessary for our Industry against imports from Lancashire. Year by year the task of the Committee is getting more and more difficult. I have been twice Chairman of the Committee in 1911 and 1925. I remain still on the Committee and I find the work increasing year after year. In the last ten years, we have had three Tariff Board enquiries and other important enquiries concerning labour and other matters. The year that is before us is going to be an arduous one. Your Chairman has mentioned to you that the Indo-Japanese Pact is coming to an end, and the Government of India will have to negotiate another Pact. It is rather a pity, to my mind, that year after year, we have to approach Government for protection for our Industry. Brought up as I was in my younger days with Lancashire men, I have always had a feeling that free trade was the best policy for any country in the world. Why is it that every country is now suddenly becoming Protectionist—even the old United Kingdom? The answer is simple. Since the war, the financial systems of the world have been manipulated by the financiers of the world, and as long as exchange and currency are manipulated and are on a false basis, each country will require to protect its own interests and its own industries and labour. That question has to be faced, whether in this country or in any other country. Why has the Government in the United Kingdom suddenly become Protectionist? Why has she proposed quotas in the Colonies? Because it found that other countries with very heavily depreciated currencies like Japan, and now China, have made it impossible for her industries to exist in the export markets. Our Industry is now practically excluded from the export trade owing to these currency manipulations. While in the nineties of the last century India used to export yarn largely to China and Japan, the position to-day is that we are importing yarn from Japan and China. We grow cotton in this country, and yet import yarn, and many of our spindles are standing idle. Is not this a curious position? Our Finance Member said the other day that there is too much protection in the country. Will he look and find out the cause of this? Since 1925, when exchange was fixed at 1s. 6d. and other countries depreciated their exchange, every industry in this country, one after another, has asked for protection. Conditions are changing every day. And unless we get stable conditions for our Industry, the work of your Committee is going to increase day after day; and we shall require good men to carry our Industry to safety through the difficult times ahead.

You remember Sir Hormasji Mody the other day in the Assembly pleaded that the time had arrived when another Fiscal Commission should be appointed to inquire on what conditions protection should be given, and the reply of the Finance Member—that in future every industry must prove that the raw material is here and that the protected industry will in course of time be able to do without protection. When the Fiscal Commission reported to that feature in 1921-22, the Governments of the world had not played with their currencies, and it is time, in my opinion, that a proper inquiry should be made as to the conditions under which protection should be given to industries without the proviso which has been in force up to now. Until we can get some definite stable conditions, our industries will continue languishing year after year. It is no use saying to our people that our industrialists do not know how to manage their factories. In my 45 years' career and connection with this Industry, I remember only one time when we sold cloth at 8½ annas a lb., when Broach was at Rs. 140. To-day, the price is 9 annas per lb., with Broach at Rs. 200. So you see that, although our wages have gone up by over 40 per cent., our cloth is being sold on a cheaper basis than the pre-war basis. I, therefore, say the problems before us are going to be more and more difficult every year, until we get stable conditions both as regards currency and as regards protection. And your Committee will have a harder job year by year to carry on. It is with that view and with the full knowledge of the work which the Committee have put in last year that I have great pleasure in asking you to accord a hearty vote of thanks to our Chairman, Deputy Chairman and the outgoing Committee.

The motion was carried with acclamation.

Millobners' Association. Bombay.

Section II.

FOREWORD, PRELIMINARY REPORT AND ACCOUNTS
OF THE ASSOCIATION.

REPORT
OF THE COMMITTEE OF THE
MILLOWNERS' ASSOCIATION, BOMBAY

For the period 1st January to 31st December 1935.

F O R E W O R D .

DURING the year 1935, which has just closed, the progress of the general world depression was definitely checked. Some countries reported a welcome revival of demand, whilst in others a substantial buying movement was experienced. Economic conditions appear to be slowly but gradually improving throughout the world, and before the close of the year, there were distinct signs of a recovery in international trade. Certain schools of thought have continued to advocate the removal or substantial reduction of the artificial restrictions on trade, which have sprung up since the World War as the only means by which international trade recovery can be ensured ; but it is a significant sign of the disturbed political conditions now existing in the world that tariff barriers have remained as high as ever, and restrictions upon trade by way of quotas have increased rather than lessened in number during the year. With many currencies unstabilized and unlinked with gold, there were no serious departures from the past, of economic nationalism now being followed in many countries. Such recovery in international trade as did take place during the year was, however, assisted by the bilateral and similar special trade agreements which have become common between the countries during the last few years. 1935 afforded welcome evidence of the fact that the lag between the prices of agricultural and manufactured commodities is at last becoming narrower. Any enhancement in the values of raw materials is particularly welcome in a country like India increasing as it does the purchasing power of the masses. The greater buying movement which the slight improvement in world economic conditions brought about was, in the opinion of some authorities, assisted by the various measures which the U.S.A. Government adopted for the rehabilitation of agriculturists. The buying movement was also encouraged to some extent by the outbreak of the war in Abyssinia in October, when, owing to a fear that a widespread conflagration might ensue, many countries began to increase their stocks of staple commodities. In the political sphere, conditions were most unpromising, and at the close of the year, the situation was graver than it had been since the World War. The dangerous situation was not confined to any particular part of the globe, and both Europe and the Far East were facing the possibilities of conflict at the commencement of 1936. Hopes for the future peace and prosperity of the world have not been encouraged by the failure of the world's greatest statesmen and the League of Nations to prevent the war in Abyssinia.

Turning back to economic factors and confining ourselves to the textile industry, we find an improved situation after years of continued depression in several centres of the industry. During the second half of the year, the spinning mills in Lancashire were busier than for a long time back and the trade position generally healthier. On the Continent of Europe also, the textile industry showed signs of activity although profits were considered unsatisfactory. In Germany, mills had to work reduced hours under Government orders owing to difficulties concerned with the importation of raw cotton, but still the situation was not worse than in the previous year. In Japan, the expansion of the cotton industry continued although profits were reduced. Even Argentine and Brazil report the erection of new cotton mills. In the U.S.A., there has been a fairly general trade revival. As far as India as a whole is concerned, there has been considerably greater activity in the textile industry, but this greater activity has not been followed by prosperity. Even in the cases of concerns with large financial reserves, profits have dwindled down and many mills, particularly in the City of Bombay, have continued to work at a loss. Complaints were heard from Ahmedabad—the next largest centre of the textile industry in the country—that the mills were not able to earn enough to cover depreciation. Many mills worked double shifts with a view to reducing overhead charges, but even in their case margins were unsatisfactory throughout the year. In the first place, the introduction of the 9 hours day from 1st January 1935 affected profits to a certain extent; another important factor affecting profits was the difficult position which prevailed with regard to raw material. The basis for Indian stapled varieties remained high aided by the import duty of half an anna per pound on foreign cotton, whilst the supply of medium stapled cotton was sub-normal owing to the disastrous frost which occurred about the middle of January. Japanese competition although controlled by the quota system persisted throughout the year and was the chief reason for the unremunerative prices obtained for the products of Indian mills.

Cotton.—The year 1935 opened with Broach April/May at Rs. 246½, Oomra December/January at Rs. 234, and Bengal December/January at Rs. 157½; while New York July stood at 12.84 cents and Liverpool July at 6.85d.

Prices ranged within narrow limits with a slight downward tendency, till the middle of January, Broach touching Rs. 237, when reports of frost in Broach, Surat and Gujrat, caused an upward movement. The highest price touched was Rs. 260 on 25th January, but at this level, under heavy selling pressure, prices declined again and fell to Rs. 244 on 4th February. From this point, there was a rise of about Rs. 10 and at this level prices became steady with narrow fluctuations for some time. Owing to Broach and Gujrat qualities being heavily stained by frost, the difference between the Broach contract and the Bengal contract widened very much, the difference at one time touching Rs. 105. Owing to the short supply of cotton tenderable against our principal hedge contract, speculators were able to maintain a premium for near positions. By the middle of February, there was again a reaction, prices touching Rs. 244 at which level the market remained steady till the first week of March. There was a drop afterwards

owing to uncertainties regarding the new crop loan policy of the U.S.A. Government. On the 11th of March there was a sudden drop of nearly 2 cents in New York owing to the exemption granted to small farmers, and prices touched 10.25 cents, and Broach fell to Rs. 225. Prices, however, recovered at the close of the day to half of the loss, on profit-taking. There was a further improvement, but this could not be maintained owing to confidence being badly shaken, and the same low levels were again recorded on the 19th (American 10.30 cents; Broach Rs. 213). At this level it was felt the market would not drop further and prices recovered to a great extent towards the close of the month when Broach stood at Rs. 223. It was only due to some difficulty experienced at Indore, where the market had to close down owing to payments of periodical settlements not having been made, that Broach declined to Rs. 215. This fall was temporary, and prices advanced again by the middle of April. This advance continued till the close of this contract on 25th May at Rs. 251 owing to the strength of spot cotton, while new crop Broach was quoted at a great discount. July/August Broach stood at Rs. 235 and New April/May 1936 Broach at Rs. 220.

There was a slight drop in prices at the beginning of June, but this fall was made up by the middle of the month after, which prices remained more or less steady till the middle of August. The end of August witnessed a sharp drop in prices owing to reports of the U.S.A. Government granting a loan of 9 cents only on cotton. Broach was then quoted at Rs. 194. This loan by the U.S.A. Government was subsequently raised to 10 cents, and it was further announced that the price difference between 12 cents and the actual selling price would be paid by the A.A.A. to farmers according to their Bankhead allotments, such difference not exceeding 2 cents. The lowest point in New York October position was recorded on the 3rd of September at 10.27 cents and Broach new April/May 1936 touched Rs. 189. From here, there was an improvement in prices, on the first U.S.A. crop forecast of 11,489,000 bales, which was a little below general expectations. The improvement continued till the end of September. The month of October recorded a still further advance, as American farmers did not show signs of nervousness, but held on their stocks. Broach at the time stood at Rs. 221, and after a short reaction, the market continued steady till early November, and prices kept around Rs. 215. Most of the old crop stocks had by this time been exhausted and actual cotton was selling very rapidly. The situation would have worsened, had not the new crop arrived in time, and in October and November, short and medium staple cotton was being sold at a great premium over new contracts. The ready stocks at Bombay were the lowest on record, and the mills in Central India were greatly handicapped owing to shortage of stocks there. After the middle of November, prices further advanced. The highest level recorded for new crop Broach was Rs. 231.

From this level the market sagged till the end of December, and at the close of the year prices stood as under :—

Broach April/May 1936	Rs. 217.
Oomra December/January 1936	Rs. 198.
Bengal December/January 1936.. .. .	Rs. 144.
New York May 1936	11.07 cents.
Liverpool May 1936	6.16d.

Owing to competition of similar growths of cottons from other countries, particularly Brazil and Peru, the exports of American cotton showed a tendency to decline. As is well known, the U.S.A. Government have adopted certain measures with a view to encourage exports. Their recovery plans are all threatened with adverse decisions from the Supreme Court, and the Agricultural Act has already been declared illegal. In the event of further adverse decisions in connection with the financing of the cotton crop under the Bankhead Bill it is likely that other measures will be devised to maintain prices at the present level. The world consumption of American cotton is round about 12,500,000 bales. The final crop for the year was 10,700,000 bales with a carry over of 9,043,000 bales of which about 5,000,000 bales are under control. Much depends upon the ability of the U.S.A. Government to control and finance the next cotton crop. If the attempt fails and there is in consequence a large crop, then there is bound to be a break away from the present level of prices, particularly as more cotton is being grown in other parts of the world.

The All-India Cotton Crop Forecast for 1935-36 is 5,352,000 bales against 4,807,000 bales last year. We have already indicated that the premiums for staple cotton ruled high practically throughout the year and mills which had not covered their requirements during the season found the selection of suitable cotton a difficult task. Full prices had to be paid for all such purchases. The difficulties of the industry were aggravated as high premiums had to be paid at a time when the cloth and yarn markets were dull as will be seen from the survey of cloth and yarn markets given below.

Cloth.—With the rise that took place in cotton during January and February, considerable inquiries were received from cloth markets, but towards the beginning of February, rumours were set afloat in the markets that the duty on British piecegoods was to be reduced from 1st March and that the necessary provisions had been made in the budget to be presented at the end of the month. This scared away business, as the trade wished to ascertain what the position was going to be. Until trade is assured of some fixity in tariffs, business is likely to be difficult. Frequent tariff inquiries hamper trade, and introduce an element of uncertainty in the markets. We had the Special Tariff Board at the close of the year to enquire into the duty on British piecegoods, and the Trade Agreement with Japan will come up for review towards the end of 1936.

The low prices of Japanese goods, and particularly those of artificial silks and fents, had a depressing effect on Indian sale prices for cloth throughout the year.

At the beginning of 1935, 29 per cent. of Bombay's looms were working double shift while 25 per cent. were idle. More mills went on double shifts during the year, and a few of the mills that had closed down re-started. The result was that by the end of the year while 40 per cent. of the looms

were working double shifts, 17 per cent. of the looms were idle. The relative figures for the spinning section were 30 per cent. and 26 per cent.

Stocks of both cloths and yarns reached the highest levels of the year at the end of August when the price of calendered shirting dropped to $9\frac{1}{2}$ annas. The Italo-Ethiopian dispute and the consequent fears of the whole of Europe being involved then caused demand to broaden. In expectations of a rise in prices based on the experience of the last World War, merchants bought freely and stocked goods heavily. This relieved the stock position in mills, but the relief was short-lived, as goods delivered did not move into consumption freely, and by the end of the year, stocks had again begun to increase.

The year 1934 closed with prices of calendered shirtings barely steady at $9\frac{1}{2}$ annas per lb. Owing, however, to the rise in cotton, there was a rise of a quarter of an anna in cloth prices early in the year. Poor offtake and unsteady cotton prevented prices from remaining steady, and there was a continued decline, until sales were effected by a large group at $9\frac{1}{4}$ annas a lb. with Broach round about Rs. 200. The Italo-Ethiopian dispute steadied prices which rose again to $9\frac{3}{4}$ annas, but this level was not maintained. *Moorut* sales were very satisfactory from the point of view of quantity, but prices (9 annas $4\frac{1}{2}$ pies per lb.) did not leave mills any margins owing to the high premiums ruling for staple cottons. At the end of the year, prices were barely steady at the *Moorut* level, owing to the revival of rumours that the duties on British cloths were to be reduced.

Yarn.—The yarn markets have more or less followed cotton. Offtake has, however, not been satisfactory. By the middle of February, the prices of 10s and 20s had risen from 6 annas and 8 annas at the beginning of the year to $6\frac{1}{2}$ annas and $8\frac{1}{2}$ annas. With the fall in cotton, prices touched $5\frac{1}{2}$ annas and $7\frac{1}{2}$ annas at the end of March. With steadiness in cotton, prices hardened again, and remained steady round 6 annas and 8 annas during May, June and July. With the decline in cotton that set in in August, prices declined again a quarter of an anna to regain the loss by the beginning of October owing to steadiness in cotton. The uneasiness in the cotton market in December was reflected in yarns, and the year closed with 10s and 20s quoted respectively at $5\frac{3}{4}$ annas and $7\frac{3}{4}$ annas with some sales of 20s reported at as low as $7\frac{1}{2}$ annas.

One feature of the yarn markets has been the very low price at which Chinese and Japanese 40s yarns have been sold; the price fell at one time to as low as $9\frac{3}{4}$ annas a pound.

The year that has just closed has thus brought no prosperity to the textile industry of India. The future, however, is not without an element of hope. The efficiency measures and other reforms which have been introduced in the mills, and the improved relations which have been established between employers and workers in the City and Island of Bombay should have beneficial results during the next few years. Undue optimism would, however, be out of place in view of the many dangerous political situations with which the world is confronted.

ELECTION OF CHAIRMAN OF THE ASSOCIATION FOR 1936.

The annual ballot for the office of the Chairman of the Association was held on the 6th January 1936 and resulted in the election of Mr. V. N. Chandavarkar.

ELECTION OF DEPUTY CHAIRMAN OF THE ASSOCIATION FOR 1936.

The annual ballot for the election of the Deputy Chairman took place on the 13th January 1936 and resulted in the election of Mr. Dharamsey Mulraj Khatau.

ELECTION OF THE COMMITTEE FOR 1936.

The ballot for the election of the Committee was held on 20th January 1936 and the following members were duly elected :—

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

BOMBAY MUNICIPAL CORPORATION.

ASSOCIATION'S REPRESENTATIVE.

In accordance with the prescribed rules, Sir Hormasji Mody was again elected as the Association's representative in the Bombay Municipal Corporation. Sir Hormasji has continuously represented the Association's interests in the Corporation since 1st April 1923, when, according to Act VI of 1922, the Association first became entitled to elect a Councillor to the Municipal Corporation.

BOMBAY PORT TRUST.

ASSOCIATION'S REPRESENTATIVE.

The term of office of Mr. A. Geddis, the Association's representative on the Board of Trustees of the Port of Bombay having expired on 31st March 1935, the Association was called upon to elect a Trustee for a term of two years commencing from 1st April 1935. A ballot held for the purpose early in March resulted in Mr. A. Geddis being returned unopposed.

**INDIAN CENTRAL COTTON COMMITTEE :
TECHNOLOGICAL RESEARCH SUB-COMMITTEE.**

ASSOCIATION'S REPRESENTATIVES.

Towards the end of February, Mr. F. Stones, one of the Association's representatives on the Technological Research Sub-Committee of the Indian Central Cotton Committee for the year 1934-35, tendered the resignation of his seat, and the Committee nominated Mr. D. M. Khatau to fill the vacancy. On the invitation of the Indian Central Cotton Committee, the Committee subsequently re-appointed Mr. A. D. Walwyn as the Association's second representative on the Sub-Committee for the year 1935-36

BOMBAY EXCISE ADVISORY COMMITTEE.

ASSOCIATION'S REPRESENTATIVE.

The triennium for which the Excise Advisory Committee for the Town and Island of Bombay was formed in 1932 expired on 31st March 1935, and the Association was called upon to nominate a member to serve on the re-constituted Committee for the period ending 31st March 1938. The Committee of the Association appointed Mr. Bhagwandas Manmohandas Ramji as their representative on the re-constituted Committee.

BOMBAY MALARIA ADVISORY COMMITTEE.

ASSOCIATION'S REPRESENTATIVE.

Sir Hormasji Mody, the Association's representative on the Bombay Malaria Advisory Committee having tendered the resignation of his seat towards the end of July, the Association was invited to nominate another representative. The Committee accordingly appointed Mr. V. N. Chandavarkar to serve on the Advisory Committee.

BOMBAY SMOKE NUISANCES COMMISSION.

ASSOCIATION'S REPRESENTATIVES.

The period of constitution of the existing Bombay Smoke Nuisances Commission expired on 31st December 1935, and in response to an invitation from Government, the Committee re-appointed Messrs. W. F. Webb and Mark Binnie to represent the Association on the re-constituted Commission for a further period of two years.

DOMESTIC AFFAIRS.

DINNER TO HIS EXCELLENCY THE GOVERNOR.

On 15th March, His Excellency the Governor of Bombay was the Guest of Honour at a Dinner given by the retiring Chairman and Committee of the Association. The speeches made on the occasion by Sir Hormasji (then Mr. H. P.) Mody and His Excellency Lord Brabourne in reply are reproduced in full in *Appendix 1*.

PRESENTATION TO SIR HORMASJI MODY.

Before the proceedings terminated, Sir Joseph Kay paid a glowing tribute to the services rendered to the Association and the Industry generally by the retiring Chairman, Sir Hormasji Mody, and presented him on behalf of members with an engraved silver salver and gold cigarette case as a token of their appreciation of Sir Hormasji's work during his term of office as Chairman of the Association from 1929 to 1934. In acknowledging the souvenirs, Sir Hormasji made a suitable reply. (*Vide Appendix 1.*)

RETIREMENT FROM THE COMMITTEE.

Early in the year, Sir Nowroji Saklatvala, who had to his credit a long and meritorious record of service with the Association in various capacities for a period of nearly 30 years, retired from the Committee. The Committee placed on record their appreciation of Sir Nowroji's valuable services to the Industry, and taking advantage of the presence in the City of Mr. H. H. Sawyer, who retired last year, entertained these two distinguished colleagues, at a dinner held towards the end of March.

INTERVIEW WITH THE HONOURABLE THE FINANCE MEMBER.

Early in June, the Honourable Sir James Grigg, K.C.B., Finance Member with the Government of India, visited Bombay in connection with a meeting of the Board of the Reserve Bank of India. The Chairman, Deputy Chairman and the Secretary of the Association took advantage of the opportunity provided by this visit for an informal discussion with the Honourable Member on various matters connected with the Cotton Mill Industry.

VISIT OF THE HONOURABLE MR. T. A. STEWART.

Towards the middle of the year, the Committee of the Association met the Honourable Mr. T. A. Stewart, Secretary to the Government of India, Department of Commerce, during his visit to Bombay. The discussions, which covered certain matters on which the Association had submitted representations to Government in recent months, were of an informal character, and are not, therefore, published.

**VISIT OF MR. R. H. BASSETT, CEYLON'S TRADE
REPRESENTATIVE IN INDIA.**

Mr. R. H. Bassett, Special Officer deputed by the Ceylon Government as Ceylon's trade representative in India, visited India early in the year for the purpose of exploring avenues for the development of reciprocal trade between India and Ceylon. During his visit to Bombay, the Chairman of the Association informally discussed with Mr. Bassett the possibilities of extending Indian mills' export trade with Ceylon in cotton yarn and piecegoods.

DONATIONS.

At the annual general meeting of the Association held on 15th March 1935, the following donations were sanctioned and paid out of the Association's Funds :—

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

WORKING OF THE COTTON MILLS OF BOMBAY IN 1934.

In accordance with the usual practice, an annual statement showing the results of the working of the cotton mills in Bombay was prepared by the Association and audited by Messrs. A. F. Ferguson & Co. Sixty-one out of the seventy-eight mills in Bombay submitted returns. The statement disclosed a total loss of Rs. 70,80,626 for the year 1934, after providing for depreciation on machinery and buildings, in spite of the fact that during the year managing agents gave up commission to the extent of Rs. 17,78,770.

AUDITORS.

At the annual general meeting held on the 15th March 1935, Messrs. A. F. Ferguson and Company were appointed as the Association's Auditors for the current year on the usual remuneration,

MEMBERSHIP OF THE ASSOCIATION.

The total membership of the Association on 31st December 1935 was 104 as against 100 at the end of 1934. The Indore Malwa United Mills, Ltd., the Osmanshahi Mills, Ltd., the New Victoria Mills, Ltd. and the Pralhad Mills, Ltd., ceased to be members of the Association, while :—

The Shree Niwas Cotton Mills, Ltd.
 The Madhusudan Mills, Ltd.
 The Bradbury Mills, Ltd.
 The Bombay Suryodaya Mills, Ltd.
 The Bombay Cotton Mfg. Co., Ltd.
 The Kamala Mills, Ltd.
 The Azam Jahi Mills, Ltd. (Warrangal) Hyderabad, and
 The Dhanraj Mills, Ltd.

were elected members during the year.

 PANEL OF ARBITRATORS AND UMPIRES.

(See page 3 of Report for 1931 and pages 13/14 of Report for 1933.)

In accordance with the provisions of Rules 3 and 4 of the Association's Rules for Arbitration on Piecegoods and Yarn, the Committee appointed the undermentioned gentlemen to constitute the Panels of Arbitrators and Umpires for the triennium ending 31st December 1937 :—

MILLOWNERS' PANEL.

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

PIECEGOODS MERCHANTS' PANEL.

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

PANEL OF UMPIRES.

(1) Mr. F. Stones, O.B.E., (2) Mr. S. D. Saklatvala, M.L.C., (3) Mr. Devidas Madhowji Thackersey, (4) Mr. Hurgovandas Jamnadas

Ramji, (5) Mr. Premji Virji, (6) Mr. T. V. Baddeley, (7) Mr. A. Pether, (8) Mr. Devji Damodar, (9) Mr. Vithaldas Damodar Govindji and (10) Mr. Vaman Shridhar Apte.

REGISTRATION OF TRADE NUMBERS ON DHOTIES AND SARIES.

Early in May, the Committee were informed that, in certain instances, it was not possible to differentiate between dhoties and saris. The difference in width of border, which had been the chief test applied when applications for registration of trade numbers were made, was, it was suggested, not quite satisfactory inasmuch as in certain parts of the country goods were classed as dhoties although the width of the border was as large as two inches, while in certain other parts, goods were designated as saris although the width of the border was less than three-fourths of an inch.

On a careful consideration of the matter, the Committee decided that, in future, registration should be refused if the number applied for on a dhoty or a sari conflicted with a number already registered on either dhoties or saris, and members were advised accordingly. (*Appendix 2.*)

MUNICIPAL ASSESSMENT OF COTTON MILLS.

(*See page 13 of the Association's Report for 1934.*)

In the last issue of the Association's report, reference was made to the appeals filed by mills with the Chief Judge of the Small Causes Court against the orders passed by the Assessor and Collector of Taxes in respect of mill assessments for the year 1933-34. The case of the Meyer Sassoon Mill was first taken up by the learned Judge, and after a protracted hearing which lasted for well over six months, judgment was issued on 17th June 1935.

Briefly stated, the learned Judge found, on the evidence placed before him, that a clear case for relief had been made out on behalf of the mills, and fixed the "gross" letting value at the rate of Rs. 3 per month per 100 square feet for main building and Rs. 2 per month per 100 square feet for sheds, godowns and the like, which scale, he stated, would also apply to mills which had stopped working owing to trade depression.

There were certain matters arising out of the judgment which appeared to require further clarification, which it was thought might be discussed informally with the Municipality with a view to explore the possibility of reaching an understanding on all issues. The judgment fixed the "gross" letting value at the rate of "Rs. 3 per month per 100 square feet for the main building and at Rs. 2 per month per 100 square feet for sheds, godowns and the like," and further added "which scale will also

apply to mills which have stopped working owing to depression in trade." The points which arose out of these decisions were :—

- (a) What was meant by the term "gross," and what deductions were permissible from the "gross" letting values in arriving at the net rateable values ?
- (b) What constituted "main building" ?
- (c) What exactly the Judge had in mind when he said "which scale will also apply to mills which have stopped working owing to depression in trade" ?

With regard to (a), the Association held that the "gross" letting values fixed by the Judge were subject to a deduction for tenants' taxes over and above the statutory deduction of 10 per cent. specified in Section 154 (1) of the City of Bombay Municipal Act. In this connection, it might be pointed out that the instances of letting values placed by both sides before the Court were either "gross" letting values inclusive of tenants' taxes and statutory allowance of 10 per cent., or were converted on that basis.

Apart from the admissible deductions from the "gross" letting values, the figure of Rs. 2 mentioned in connection with sheds, godowns and the like, appeared to require correction. It would appear that, when the judgment was read out in Court, the learned Judge made it clear in connection with the figure of Rs. 2 that he had not correctly worked it out, but that his intention was to maintain the ratio which existed between the rental value of buildings and the rental value of godowns in the 1883 agreement between the Millowners' Association and the Municipality, and it was understood that this figure would be corrected, if it was found to be mathematically wrong. The gross letting value on the basis of the 1883 ratio had since been worked out, and it was found that the figure should be a little less than Re. 1-14-6 per 100 square feet, and it was thought that a reference to the Court for a correction could be avoided by mutual agreement with the Municipality.

With regard to (b), the learned Judge fixed a letting value of Rs. 3 "gross" for "main building." As to what constituted "main building" had nowhere been defined in the judgment, but on going through the evidence submitted to the Court at various stages of the hearing, it was found that two types of buildings had been mentioned—buildings with machinery and buildings without machinery. It, therefore, appeared that what the Judge had in mind was that buildings, departments or parts of departments in which any processes connected with the actual manufacture of cloth and yarn were carried on, should come in under the higher rate and that all others should come under the lower rate of assessment. The agreement arrived at between the Municipality and the Association in 1883 which introduced the principle of assessment on a letting value basis, recognized this differentiation, for, "out-houses, godowns and other buildings attached to or appertinent to main mill buildings" were then assessed

under a lower rate than was applicable to main buildings. It was, therefore, the considered view of the Association that the same principle should be followed by the Municipality and that to avoid any misunderstanding whatsoever in the future, buildings, departments or parts of departments which should be assessed at the different scales mentioned by the Court, should be laid down for the guidance of mills and the assessment staff. According to the Association, the various departments of the mills should be classified as below :—

Lower Rate.

The following departments or parts of departments should be permitted under the lower rate :—

Store Rooms.
 Godowns.
 Stamping, Bundling and Baling Rooms.
 Mechanics Shop.
 Smithy.
 Carpentry.

Power House.
 Dynamo House.
 Engine House and Boiler House (working).
 Pump Room.

Humidifier Room.
 Transformer Room.
 Indicator Room.
 Switch Board Room.
 Motor Room.
 Tiffin Room.
 Rest Room.
 Canteen and Hostels.
 Dining Sheds.
 Welfare Institutes.
 Office Room.
 Manager's Room.
 Timekeeper's Office.
 Out-houses.
 Preparing Room.
 Weft Cellar.
 Conditioning Cellar.
 Hoist.
 Weigh Bridge Office.
 Gangways and Staircases.

Higher Rate.

The following departments or parts of departments should be permitted under the higher rate :—

Mixing Room (where mixing and blow rooms are in the same department).
 Blow Room.
 Card Room.
 Frames Department.
 Spinning Department.
 Weaving Department.
 Finishing and Calendering Department.

Sizing Department.
 Winding, Warping and Beaming Department.
 Reeling Department.
 Folding Department.
 * Dyeing Department.
 * Bleaching Department.

* *Note.*—Bleaching and Dyeing Departments had been included in the list under the higher rates. The intention was only to bring in such bleaching and dyeing departments of mills as were doing machine-bleaching or dyeing ; where hand-bleaching or dyeing was done, the departments should come under the lower rate of assessment.

The above list did not include Creches, Hospitals, Dispensaries, Temples, Schools, Urinals, and W.Cs., Boiler House and Engine Houses fallen into disuse, Overhead Bridges, Dust Chimneys, Dust Chambers, Mill Chimneys, Oil Tanks and Reservoirs, Mill Water Tanks and Reservoirs, Bathing places, etc., in mill premises, and it was thought that these should not be assessed.

In connection with the third point (c), namely, the rental value applicable when a mill was closed, the Committee held that the lower rate should be applicable to mills closed not only on account of trade depression, but for any reason whatsoever. The Municipality appeared to hold that mills whether working or closed should be assessed at Rs. 3 for main building and Rs. 2 for godowns. This, it was thought, was an incorrect interpretation of the judgment, for it was mentioned in the judgment and also conceded by representatives of the Municipality in the course of their oral evidence that "if the mills are closed on account of strike or depression in trade, the mill building should be deemed to be a store house for machinery." This quotation, the Committee held, clearly proved that it was the intention of the Court that the lower rate of assessment should become operative, no matter for what reason a mill was closed down.

These matters were subsequently discussed with the Municipal Commissioner by a Sub-Committee consisting of the Chairman, Sir Hormasji Mody and Mr. V. N. Chandavarkar. The Sub-Committee were, however, greatly surprised when the Assessor and Collector of Taxes, who was also present at the conference, informed them that mill land would be assessed separately. So far as the Association was aware, there was nothing in the judgment to warrant this decision. On the other hand, from the instances cited and analysed by the learned Judge, it was clear that his intention was that land should be assessed along with buildings. In practice, a mill was usually let with the land, the rent charged covering the use of both land and buildings, for it was not reasonable or fair to expect that under ordinary circumstances the one would be lettable without the other for the purpose of utilizing the premises as a mill. The contention of the Association was also borne out by the fact that even under the 1883 agreement, it had been provided that "no separate assessment was to be levied on ground not built upon within the same mill compound." Under these circumstances, the Sub-Committee urged that mill land should not be separately assessed.

Nothing, however, resulted from these discussions, as the Municipality felt that nothing could be done until after the return of their legal adviser from England. A reference to the Court, therefore, became necessary to expedite matters, and under instructions from the Committee, an affidavit was presented by the Association's Solicitors on behalf of the Meyer Sassoon Mill to the Chief Judge of the Small Causes Court early in January 1936. This reference has not yet been disposed of, but the Association's technical expert has been directed to proceed with the measurement of individual mills so that there might not be any undue delay in calculating the revised assessment in each case on receipt of the Chief Judge's further orders on the Meyer Sassoon Mill's motion. (*Appendix 3.*)

MUNICIPAL WATER CHARGES—WATER USED FOR BUILDING PURPOSES.

(See also pages 12 and 142 of Report for 1932.)

Towards the end of 1933, certain building construction work was carried on in the compound of the Indian Manufacturing Co., Ltd. The work actually

commenced in December 1933 and ended in March 1934. The water required for building construction was drawn from the mill's existing water-supply, as it was understood that no separate connections were insisted upon by the Municipality and that separate metered connections were often not granted to contractors owing to the fact that the mill connections in the compound were readily accessible.

The total quantity of water supplied to the mills during the half year October 1933 to March 1934, according to the Municipal meter installed in the mills, amounted to 1,26,00,000 gallons, and early in June, in a bill for water charges for the half year in question, the whole quantity of water registered by the mill meter during the months in which the construction work was in progress, was charged at the rate of 14 annas per 1,000 gallons. The mill company appeared to have represented matters to the Hydraulic Engineer, but it was held that the charge had been correctly made.

Although the decision of the Hydraulic Engineer was in conformity with the Municipal Water Charges Rules, the Committee held that this procedure was manifestly unfair inasmuch as it meant in effect that if, at any time, small building operations were going on in a mill—and in large concerns like cotton mills some sort of construction work had always to be done—the mill would be charged at the rate of 14 annas per 1,000 gallons, or 40 per cent. more than the usual rate, on the entire water consumption. The correct procedure would, it was thought, have been to apply the higher rate only to the approximate quantity of water used for building purposes, which could easily have been estimated from the difference in the total consumption registered in the half year in question and the previous half year. On this basis, the mill would have been charged at the rate of 10 annas per 1,000 gallons on 94,11,000 gallons and at the rate of 14 annas on 31,89,000 gallons.

Representations were, therefore, made to the Municipality and resulted in the bill being amended in such a manner that the whole consumption of water by the mill was charged at the ordinary rate of 10 annas per 1,000 gallons, and a separate bill was preferred for extra charge for water used for building purposes.

It is understood that the Municipal Water Charges Rules have also been amended. (*Appendix 4.*)

PROPOSED ESTABLISHMENT OF A RATING TRIBUNAL IN BOMBAY.

(*See pages 13 and 106 of Report for 1931.*)

In the Association's Report for 1931, reference was made to a suggestion made by the Committee for the establishment of a Special Tribunal to investigate and deal with such assessment appeals as had been disposed of by the Assessor and Collector of Taxes under Section 165 of the Municipal Act.

In a reply received towards the end of April, Government pointed out that, as the legislation required to give effect to the proposals could at present be undertaken only by the Government of India, and as the Government of India were not likely to agree to undertake such legislation in view of their own crowded legislative programme, it had been decided that the matter should be allowed to rest until the inauguration of the new constitution when the local Legislature would probably be competent to deal with it.

In view of this explanation, the Committee decided not to proceed further in the matter for the time being.

RIOT TAX, 1932.

(See pages 15 and 89 of Report for 1933.)

In the Report for 1933, reference was made to the efforts made by the Committee to get cotton mills in the City exempted from liability to contribute to the compensation awarded by the Chief Presidency Magistrate for loss and damage caused during the communal riots of 1929.

Early in January, the Association was informed that mills in B, C, D, E and F Wards of the City had been called upon to pay an additional general tax amounting in each case to 3.35 per cent. of the total assessable value to cover compensation awarded by the Chief Presidency Magistrate in connection with the communal riots of 1932. On a reference being made again to the Association's Solicitors, it appeared that there was no possibility of mills being exempted from this tax. Members were, therefore, advised to pay the bills. (*Appendix 5.*)

POWER COSTS.

(See pages 13 and 120 of Report for 1934.)

In the last report of the Association, it was indicated that practically all mills in Bombay had accepted the new T-2 tariff rates for power offered by Messrs. The Tata Hydro-Electric Agencies, Ltd. Towards the middle of March, in pursuance of their "policy of progressive rate reduction, to become effective from time to time and to the extent that circumstances permitted" the Power Companies advised the Association of a modification in the T-2 schedule, which had the effect of raising the power factor discount from 10 per cent. to 15 per cent., calculated at the rate of $\frac{3}{4}$ ths of one per cent. for each completed one per cent. by which the average monthly power factor of the consumer exceeded 80 per cent., the revised rate to come into force from the 1st July 1935. The Committee, while thanking the Power Companies for this further concession in power rates, hoped that it would be possible for them further to reduce the charges for electric power which, in their opinion, were still too high, judged by the fact that several concerns in Bombay had recently installed, or intended to instal, their own power plants.

Towards the middle of the year, on the suggestion of certain members, the question of power cost was again examined by the Power Costs Sub-Committee, and on their recommendation, the matter was again taken up with the Hydro-Electric Companies, towards the middle of October.

It appeared from the figures taken out by certain mills whose contracts were due to expire between 1939 and 1941 that, at current prices, mills could generate their own power at a cost considerably below the price payable for hydro-electric power under the T-2 tariff. These mills, therefore, contemplated installing their own generating plants on the termination of their existing contracts unless the hydro-electric charges were brought into parity with present-day generating costs. A fair price comparison between hydro-electric power and mills' own power should, it had been pointed out, take into consideration the fact that, with hydro-electric power, mills had to incur additional expenditure for process steam, whereas with their own generating plants, the requisite quantity of steam could be extracted from the power unit after it had done its work in producing power, without additional expenditure. In the case of mills taking hydro-electric power, say, for example, the Hindustan Mills, the total cost of power and steam worked out as under :—

Cost per unit of hydro-electric power in the month of July after providing for 15 per cent. power factor discount and 2 per cent. prompt payment discount	0.465 annas per unit.
Cost of steam worked out on the total power consumption	0.15 do.
Total cost of power and steam	<u>0.615 annas per unit.</u>

In the case of another mill, for example, the Colaba Land Mills, the total cost of power and steam worked out as under :—

Cost per unit of hydro-electric power in the month of July after providing for 15 per cent. power factor discount and 2 per cent. prompt payment discount	0.463 annas per unit.
Cost of steam worked out on the total power consumption	0.19 do.
Total cost of power and steam	<u>0.653 annas per unit.</u>

It was contended by the mills concerned that, with their own power generating plant, the total cost per unit would be much less than the figures shown above.

The maximum demand of the Hindustan Mills was about 1,500 K.W., and the following estimates of costs were taken from an order actually placed by a mill in Bombay, whose maximum demand very closely approximated to that of the Hindustan Mills.

Power plant consisting of three boilers with superheaters, economisers, stokers, pumps, pipes and fittings.

Steam turbine complete with control panel	1,500 K.W.
All completely erected and installed in mill buildings..	Rs. 2,85,000.
Steam consumption extracting	8,000 lbs. per hour.
With circulating water 95° F.	26,000 lbs.
Steam consumption of auxiliaries	1,500 lbs.
	<hr/>
Total ..	27,500 lbs.

With coal at 11,000 B.T.U.'s per lb. (Boiler efficiency 80 per cent.) evaporation would be 6.9 lbs. of steam per lb. of coal consumed.

Coal per hour would be	3,985 lbs.
300 days of 9 hours = 2,700 × 3,985 lbs. =	4,803 tons.
Allowing 400 tons for steam raising and stand-by steam	
at night, total coal per year	5,203 tons.
Cost at Rs. 14 per ton	Rs. 72,842

Turbine on full load giving 1,500 units per hour	
to mill gave 1,500 × 2,700 hours ..	4,050,000 units per year.
Boiler and Engine wages	Rs. 535 per month
	= Rs. 6,420 a year.
Boiler and Engine stores and maintenance ..	Rs. 4,500 a year.
	<hr/>
Total running cost	Rs. 83,762 a year.

Running cost per unit = 0.331 annas for steam and power.

Cost of installation	Rs. 2,85,000.
Allowing 13½ per cent. capital and depreciation,	
cost per year = Rs. 39,475	= 0.155 annas per unit.
Total cost of steam and power would be ..	0.486 annas per unit.

Power Companies' power cost was .46 annas per unit, to which should be added the cost of producing the process steam required in the mill.

This cost 0.19 annas per unit of power consumed.

Total = 0.65 annas per unit Steam and Power.

To equal the cost of the mill generating power from its own power plant, the supply company would require to supply power at .486 — .19 = .296 annas per unit.

Somewhat similar results were also possible when comparing hydro-power with steam plants in certain mills. From information supplied by the New China Mills, the running costs for steam and power were as follows :—

S. H. P. 1,300	..	..	..	..	..	866 K.W.
Total hours run	..	..	..	..	..	4,030.
Cost of coal consumed	..	..	..	..	..	Rs. 78,402.
Wages	..	..	..	..	..	Rs. 3,418-4-0.
Stores and maintenance	..	..	..	..	..	Rs. 5,000.
Total cost for 4,030 hours	..	..	..	..	..	Rs. 86,820-4-0.
Running cost per unit for steam and power = .398 annas.						

Similarly, for the Hirjee Mills, where there was a dyeing and bleaching department, and where 48 per cent. of the coal consumed was for process steam, the figures were as under :—

S. H. P. 1,200	..	..	..	..	..	800 K.W.
Total hours run	..	..	..	..	..	2,938
Cost of coal	..	..	..	..	..	Rs. 61,730
Wages	..	..	..	..	..	Rs. 5,177.
Stores	..	..	..	..	..	Rs. 4,200.
Total cost for 2,938 hours	..	..	..	..	..	Rs. 71,113.
Running cost per unit for steam and power = 0.483 annas.						

The cost of coal for process steam would be Rs. 29,633—a cost of 0.2 annas per unit, so that actual cost for power = 0.285 annas per unit.

The above figures, in the opinion of the Association, bore out the contention of the mills, and appeared to make out a *bona fide* case for a further reduction in the cost of hydro-electric power, and the Power Companies were requested to give careful consideration to this matter with a view to bringing about a further reduction in power charges.

It is understood that the position is at present being examined by the Boards of the Hydro-Electric Companies. (*Appendix 6.*)

FUEL OIL SUPPLIES TO COTTON MILLS.

(See pages 110 and 383 of Report for 1932.)

Towards the end of 1934, the Committee were informed that the specific gravity of fuel oil supplied to Bombay cotton mills had increased from year to year, as a result of which the actual quantity of oil supplied per ton had decreased considerably. It appeared that the total calorific value of a ton of oil supplied by the Burmah-Shell Oil Storage and Distributing Company was in conformity with the total heat value

guaranteed under the specifications included in the contract, but it was pointed out that the calorific value mentioned in the specifications was so low that it was permissible for the Oil Company to supply oil to mills of a less total heat value per ton than was supplied some years ago. In other words, the intrinsic value per ton in rupees of the oil being supplied was less than the intrinsic value of the oil supplied some few years ago. For instance, in 1928 the oil supplied was understood to have had a calorific value of between 19,000 and 19,500 B.T.U.'s per lb., whereas the latest contracts provided for a guaranteed minimum of 18,750 B.T.U.'s per lb.

The Technical Advisory Sub-Committee of the Association, who considered this question, were of opinion that, with the existing system of billing, mills were actually obtaining a gradually decreasing heat content per ton of oil supplied, and that a more equitable method of billing would be to supply a fixed quantity of 250 gallons per ton irrespective of what the actual specific gravity might happen to be for any particular consignment so long as that specific gravity was in accordance with the specification in the contract. Such a system, it was thought, if adopted, would make checking of quantities delivered very much easier than under the existing conditions, and would also satisfy all consumers although it would not guarantee a total heat value per ton as high as in 1928. It was understood that representations were subsequently made on the above lines by several mills to the Burmah-Shell Oil Storage and Distributing Company of India, Ltd., but the reply from the latter was hardly satisfactory.

Several members of the Association also approached the Committee regarding the prices quoted by the Oil Company for the renewal of their existing fuel oil contracts. It was pointed out by the mills that the price of Rs. 28-11-0 per ton fixed by the Oil Company for the year 1936 was excessive when compared with the cost of coal. In order to ascertain whether the contention of the mills was correct, the Committee consulted some of the leading mill engineers, and from the figures submitted by them, it appeared that, including the saving in burning costs from the use of fuel oil, the fair price of oil should be approximately Rs. 25-7-0 per ton against coal at Rs. 14-8-0 per ton, and Rs. 23-11-0 per ton against coal at Rs. 13-8-0 per ton. These figures were based on the results of a mill with a typical boiler installation of 3 Lancashire Boilers and Greens Economisers. Steam was used for departmental purposes only, as the mill was electrically driven. Two boilers were continually working and one was kept as a standby. From actual tests taken over a long period on this plant burning Lodna coal and flue dust, with steam pressure at 140 lbs. and feed water at 85° F., it was found that the evaporation per pound was 7.48 lbs. of water (actual). This mill was subsequently changed over to fuel oil, the same meter being used on the feed discharge, and the mill running on the Clyde oil fuel system. It was found that the evaporation per lb. of oil was 13 lbs. of water. The coal had a calorific value of approximately 13,000 B.T.U.'s. 5 to 5½ tons of blow-room dust were burnt per month. The oil used had a calorific value of 19,150 B.T.U.'s. On this basis, with coal at Rs. 14-8-0 per ton, which was slightly higher than the ruling price, the engineers estimated that fuel oil to be competitive should be sold at Rs. 25-3-0 per ton, and with coal at Rs. 13-8-0, should be sold at Rs. 23-7-0 per ton.

The above estimate of fair price of fuel oil was based on actual experience over a long period, but the price of fuel oil did not include the small saving in burning cost which would follow from the use of oil instead of coal. Allowing for the use of 5 tons of flue dust per month, the calorific value of which was found to be approximately the same as that of coal, the all-in coal burning costs would amount to Rs. 323 per month as against an all-in cost of Rs. 303 per month for the Clyde oil system of burning. This saving of Rs. 20 per month for burning costs would have to be spread over 80 tons of fuel oil which was the approximate consumption of oil per month. In other words, including the saving in burning costs from the use of fuel oil, the fair price of fuel oil would be approximately Rs. 25-7-0 per ton against coal at Rs. 14-8-0 per ton, and Rs. 23 11-0 per ton against coal at Rs. 13-8-0 per ton.

Calculating the fair price for fuel oil on the basis of guaranteed calorific values, the engineers submitted the following estimates :—

Guaranteed calorific value of fuel oil supplied by
the Oil Company 18,750 B.T.U's.

A recent tender for coal obtained by a Bombay
Mill specified a price of Rs. 14 per ton delivered
and stacked in the mill compound and with a
guaranteed calorific value of 11,500 „

(This calorific value was very considerably below
the actual calorific value of Lodna coal.)

The over-all efficiency to be expected on daily running was stated
by the engineers to be 75 per cent. on a pressure oil burning
system and 67 per cent. on good quality steam coal.

The actual evaporation of water per ton of fuel with the calorific
value specified above with feed temperature at 85° F., and steam
pressure at 140 lbs. gauge would be, fuel oil (Clyde system)
12.24 lbs. and coal 6.71 lbs.

These figures converted to from 212° F. would give water evaporation
as under :—

Fuel Oil (Clyde system)	..	..	..	14.59 lbs.
Coal	..	..	..	7.99 lbs.

On the basis of these evaporations, the fair selling price for fuel oil would be Rs. 25-9-0 per ton plus 4 annas per ton saving in burning charges amounting in all to Rs. 25-13-0. The price which had been fixed for fuel oil by the Oil Company for the year 1935 was Rs. 28-11-0 per ton. On the basis of coal costs, it was maintained that it was at least Rs. 2 per ton too high.

It might be noted that the fair price of fuel oil had been fixed on the assumption that the Clyde system of oil burning was being used by all mills. If the steam jet burning system were used, the fair price of fuel oil would have to be much lower to make it competitive with coal.

On the basis of the figures submitted by the engineers, the Committee represented matters to the Burmah-Shell Oil Company urging a reduction in oil price. It was suggested that the Oil Company might also take into consideration the likelihood of an early remission of the 15 per cent. surcharge on coal freights which, it was thought, would reduce the price of coal by at least Re. 1 per ton, making the margin in favour of a reversion to coal even greater than at the moment.

In acknowledging this communication, the Oil Company pointed out that their contracts had been concluded with individual mills and that, therefore, they felt that any discussion on the subject of terms and operation of the contracts in question should be held between the actual contracting parties. The Oil Company were, at the same time, willing to discuss at any time any points which those who had contracts with them would like to raise. The reply was hardly satisfactory, but it would appear that several mills subsequently wrote to the Oil Company pointing out that in matters such as these which affected practically every cotton mill in Bombay, the Association was the proper party to represent the Industry's case and negotiate on its behalf. Mills also appeared to have indicated that questions like the method of billing and the price of oil should be the subject-matter of direct negotiation between the Association acting on behalf of the Industry and the Burmah-Shell, and if such negotiations were entered into, individual mills would be prepared to accept the terms mutually agreed upon between the Association and the Oil Company. Subsequently, the Chairman of the Association had certain informal discussions with the management of the Oil Company, with the result that a special Sub-Committee of the Association met representatives of the Oil Company in the rooms of the Association early in July for a discussion on all outstanding issues.

On the question of the method of billing, the Sub-Committee of the Association agreed, as a result of the technical advice put forward at the meeting, that the current method of invoicing furnace oil was the most suitable one from the point of view of the existing requirements of millowners. A case was put forward on behalf of the Association to provide for a minimum calorific value of 19,000 B.T.U.'s in the contracts. The representatives of the Oil Company pointed out that, though the calorific value mentioned in the contract was 18,750 B.T.U.'s, the figure for current supplies was about 19,000 or over. They were not, however, in a position to amend the guaranteed figure, but promised to refer the matter to the refiners and communicate later with the Association.

The representatives of the Association then advocated a standard form of contract for all mills, mentioning that the specification clause had not been included in all contracts. The representatives of the Oil Company pointed out that the terms of all the mills' contracts were substantially the same, and that, as regards the specification clause, as only one grade of oil

was supplied to all the mills, the specification in the contracts of those mills which had asked for one, safeguarded the others. The Oil Company at the same time had no objection in including the same specification in the other mill contracts, if asked to do so. It appeared that no other specification had been offered to any other mills.

The representatives of the Association then suggested that the Oil Company might consider the advisability of allowing a special discount for prompt payment of bills. It was pointed out that the Hydro-Electric Companies were allowing a 2 per cent. discount for payment of bills within ten days. The representatives of the Oil Company wanted time to consider the proposal and promised to communicate with the Association later on the subject.

The attention of the Oil Company was then referred to Clause 10 of the oil contract which protected the seller in the event of failure to supply the contracted quantity of oil in circumstances beyond his control, and they were asked whether they would consider the advisability of inserting a similar clause, which would protect the buyer if it was not possible for him to take the contracted quantity of oil for reasons beyond his control. It would appear that in response to the request from the millowners, the Oil Company had arranged this protection in certain contracts, and were prepared to do so in all contracts if requested by other millowners: that is, make the *force majeure* clause applicable to both sides. Nevertheless, it was pointed out that, owing to strikes and labour difficulties, practically all the mills had at times failed to uplift their contracted quantities, without any claim ever being suggested by the Company, and it was thought that in view of this, the millowners could rely on their contracts being interpreted reasonably.

Following the above discussions, the Burmah-Shell Oil Company announced at the end of September their intention to allow a cash discount of 2 per cent., if payment was received within ten days from the date of the invoice. (*Appendix 7.*)

INSURANCE RATES FOR COTTON MILLS WORKING NIGHT SHIFTS.

Towards the end of 1934, the Committee were informed that insurance companies were charging double premium for night shift in the case of mills working double shifts. Enquiries made by the Association appeared to indicate that the extra premium charged for night shift was not peculiar to cotton mills nor to risks situated in India, but was a fixed charge for the additional hazard involved consequent on carelessness on the part of workmen arising from the impossibility of maintaining such close supervision as in the day time. Other factors which, it was understood, justified the extra charge were the increased possibility of fire due to overheating of bearings of machinery kept running for greatly increased periods and the impossibility of maintaining the normal standard of general cleanliness of the factory and of inspecting and overhauling of machines when work was being carried on night and day. Before the question could be fully examined, however, the Committee were informed that, on a review of the basis on which the extra

was collected in the light of certain figures collated by them, the Fire Insurance Association had decided to recommend for adoption a percentage loading of 50 per cent. on normal rates to cover the increased hazard.

The Committee were of opinion that the adoption of a percentage loading of 50 per cent. on normal rates to cover the increased hazard of fire during the night shift working would be more equitable than the existing flat rate system of additions, provided that the additional percentage was only applied to those departments actually working at night and that the new arrangement was given effect to from the first of January 1935. This suggestion was accepted and the additional percentage would apply only to those departments actually working at night and to departments communicating therewith. (*Appendix 8.*)

RULES UNDER THE FACTORIES ACT, 1934.

(*See page 20 of Report for 1934.*)

On page 20 of the last report of the Association, it was indicated that the draft rules framed by the Government of Bombay under the Factories Act were under consideration by the Managers' Sub-Committee. On the recommendation of the Sub-Committee, the following criticisms of the new rules were submitted to Government towards the end of January:—

Rule 26 (c).—This rule required that all steam pipes used for the introduction of steam for the purpose of artificial humidification should be effectively covered with insulating material and kept in good repair to the satisfaction of the Inspector. It was pointed out that in certain seasons of the year, especially when mornings were very cold, it was necessary to raise the departmental temperature by the introduction of live steam. This enabled the mills not only to maintain the requisite humidity, but also to afford satisfactory working conditions to the operatives. Bare pipes facilitated the heating of the department, and insulation would retard the process. The object of preventing excessive heat in the department and discomfort to the operative would be achieved by the provisions of Rule 15, which provided that "there shall be no artificial humidification in any room of a cotton spinning or weaving factory by the use of steam during any period when the dry bulb temperature of that room exceeds 85° F.," and it was, therefore, contended that Rule 26 (c) was unnecessary.

Rule 29 (2).—This rule required the provision in all factories ordinarily employing more than 100 workers of suitable auxiliary lighting for use in the event of any breakdown in the existing lighting arrangement. The Committee considered that this rule should be deleted. It was pointed out that the provision of auxiliary electric lighting would entail heavy and unjustifiable expenditure, while any other form of auxiliary lights would greatly increase the risk of fire resulting in considerably enhanced fire insurance premium. It was further suggested that there had been only one occasion during the last ten years on which the existing lighting arrangements had failed, and that too only for a period of ten minutes.

Rule 34.—This rule laid down that the surface of floors and inside walls of latrines should be of non-absorbent impermeable material to a height of 3 feet from the floor. While agreeing to this requirement, the Committee submitted that adequate time should be given to effect the necessary changes.

Rule 66.—Laid down that before the 1st of July 1935, the Manager of every factory should maintain, free of charge to the workers, stores of first-aid appliances. Mills which possessed an ambulance room under the charge of an Hospital Assistant, assisted by two persons for every 250 people employed, appeared to be exempted from the provisions of this rule, but no exemption was apparently given to mills which were maintaining fully equipped dispensaries with a full-time qualified dispensary assistant and a part-time doctor.

The Committee entirely agreed with the object underlying this rule, which was probably to ensure prompt and effective first-aid treatment to the injured, but contended that the provision of a sufficient number of first-aid boxes in all the departments would not achieve the ends in view, unless a properly trained personnel was immediately available on the spot. Attention was drawn to the first-aid classes organized by the Association with this object in view, and it was suggested that until an adequate supply of trained first-aid men was available, the factory inspection department staff might be encouraged to enlist the voluntary co-operation of mill managements in extending the scope and utility of existing dispensaries and in opening new dispensaries wherever they were not available. The Committee further considered that mills with a fully equipped dispensary and a full-time assistant should be exempted from the proviso relating to first-aid boxes.

Rule 74.—Section 41 of the Factories Act provided that the Manager of every factory should maintain a register of adult workers showing:—(a) the name of each adult worker in the factory; (b) the nature of the work; (c) the group, if any, in which he was included; (d) where his group worked on shifts, the relay to which he was allotted; and (e) such other particulars as might be prescribed, and empowered the inspectors of factories and the local government to grant, under certain circumstances, exemption from the provisions of this section. Proposed Form "C" in which the above details had to be recorded was equivalent to Form "D" under the existing rules in respect of which an exemption already appeared to exist, except in the case of children and certain other types of operatives. It was, therefore, submitted that similar exemptions should be given to mills after the new rules became operative.

The final rules were published towards the middle of November, and most of the points advanced by the Committee appeared to have been met.

(1) *Draft Rule 26 (c)* was deleted.

(2) *Draft Rule 29 (2).*—The provision requiring the maintenance of auxiliary lighting arrangements was also deleted;

- (3) *Draft Rule 34.*—A period of six months from the date of commencement of the rules was allowed within which to effect the necessary changes in regard to surface floors and inside walls of latrines.
- (4) *Draft Rule 66.*—Final rule 67 which replaced draft rule 66 made provision for exemption being granted from the requirements of rule 67 in the case of factories maintaining an ambulance room or a dispensary with facilities for the adequate treatment of injured cases.
- (5) The revised rules also provided for modifications in the forms of registers to be kept under Section 41 of the Factories Act.

Copies of the Factories Act and the rules framed thereunder by the Government of Bombay were furnished to all members of the Association early in 1936. (*Appendix 9.*)

EMPLOYMENT OF "ADOLESCENTS" IN COTTON MILLS.

Under the Indian Factories Act of 1934, persons between the ages of 15 and 17 are classed as "adolescents," and unless certified as fit by a Certifying Surgeon, cannot be employed for more than 5 hours per day. In drawing the attention of member-mills to this provision in the Act early in the year, the Committee suggested that all new operatives between these ages should, before engagement, be sent to the Certifying Surgeon when he visited the mill, and should be allowed to work as adults only after obtaining a certificate of fitness from him. It was pointed out that such operatives were also required to wear a token, indicating that they had been passed as fit by the Certifying Surgeon; persons, not so certified, should not be engaged, or should be employed only as half-timers. Members were further informed that children below the age of 15 were required to wear a token indicating their having been passed as fit by the Certifying Surgeon. (*Appendix 10.*)

EMPLOYERS' DELEGATE TO THE TWENTIETH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE.

According to a press *communiqué* issued by the Government of India, Department of Industries and Labour, towards the end of September, the following subjects had been included in the Agenda of the Twentieth Session of the International Labour Conference to be held in Geneva in May/June 1936 :—

- I. The regulation of certain special systems of recruiting workers.
- II. Holidays with pay.

- III. Reduction of hours of work on public works undertaken or subsidized by Government.
- IV. Reduction of hours of work in the building and civil engineering industry.
- V. Reduction of hours of work in iron and steel works.
- VI. Reduction of hours of work in coal mines.
- VII. Safety provisions for workers in building construction with reference to scaffolding and hoisting machinery.

The first six subjects were discussed at the Nineteenth Session held in June 1935, and were for final consideration, while the seventh subject would come up for first discussion.

After outlining the procedure to be adopted in connection with the appointment of delegates to the Conference, Government invited suggestions relating to the nomination of non-Government Delegates and their Advisers.

On the recommendation of the President of the Employers' Federation of India, the Committee of the Association suggested the name of Sir Homi Mehta, Kt., for nomination as the Indian Employers' Delegate to the Conference. Sir Homi Mehta's wide and versatile knowledge of Indian industrial and commercial problems and his experience as a Member of the Council of State admirably fitted him, in their opinion, to represent the interests of Indian Employers at the next Geneva Conference. (*Appendix 11.*)

BOMBAY TRADE DISPUTES CONCILIATION RULES.

(*See pages 25 and 170 of Report for 1934.*)

Section 20 of the Bombay Trade Disputes Conciliation Act, 1934, empowers the Governor-General to make rules for the purpose of carrying into effect the purposes of the Act. These rules, which are in the nature of administrative provisions concerning only officers of Government entrusted with the task of carrying out the intention of the law, were framed early in the year under review, and are published in full in the Appendix for purposes of record. (*Appendix 12.*)

BOMBAY TRADE DISPUTES CONCILIATION ACT.

ACTIVITIES OF THE LABOUR OFFICERS.

(*See also pages 25 and 170 of Report for 1934.*)

In the last report of the Association, mention was made of the events which led up to the enactment of the Bombay Trade Disputes Conciliation

Act, and the appointment of Mr. W. B. Gilligan and Mr. C. A. Dalal, respectively as Labour Officers on behalf of the Government of Bombay and the Association.

From the time of their appointment the two Labour Officers have acted in close collaboration, and their joint endeavours, as was subsequently evidenced by the absence of any industrial disputes of a major character in the Cotton mills of Bombay, were a complete success. In accordance with his instructions, Mr. Dalal has been submitting monthly reports dealing with complaints and grievances investigated and dealt with by mill managements, with suggestions for improving relations between workmen and their employers and securing regularization of conditions of employment generally. These suggestions have been examined from time to time by a special Committee of Mill Managers, and on their recommendations, several reforms affecting terms of employment have been introduced.

1. *Unjust Dismissals—Separation of Leave and Discharge Passes.*—At an early stage of the investigations of the Labour Officers, it was found that unjust dismissals, which frequently developed into strikes of greater or less magnitude, sometimes arose out of the failure on the part of mill managements to observe the Standing Orders framed by the Association in so far as the issue of leave and discharge passes was concerned. It appeared that discharge passes were often not issued, and even when given were written in English merely specifying that the man had left at his own request. It was, therefore, suggested that separate books printed in Marathi for Discharge and Leave Passes would constitute an improvement, especially if the former was kept by the Manager only.

The suggestion was carefully considered by the Labour Advisory (Managers') Sub-Committee, on whose recommendation all member mills were asked to introduce separate leave and discharge pass books. In view of the general illiteracy prevalent amongst the operatives, it was pointed out that the leave pass book should be printed on white paper and the discharge pass on red paper, so that the type of pass issued to an operative might be readily distinguished. As a further guide to the workers, it was also considered desirable to reproduce in Marathi on the back of that portion of the leave pass which was to be given to the operative, the relevant extracts from Standing Order No. 8, which explained the rights to re-instatement in the event of an operative taking leave in excess of the period granted.

2. *Posting up of Piece-work Rates in Mills.*—Early in May, it was suggested that considerable dissatisfaction was being caused amongst the workpeople owing to the fact that piece-workers were not always supplied 'in advance' with full particulars regarding their piece-work rates. The need for posting up notices in the vernacular showing the rates of piece-work in detail in the departments had already been admitted by the Association's representatives before the Fawcett Committee of Enquiry in 1928, and the Committee, therefore, recommended that such mills as had not already given effect to the suggestion, should do so immediately. In the case of mills where piece-work rates had not been consolidated, it was suggested that the dear food allowances should be clearly specified in the schedule.

3. *Registration of Jobbers.*—With a view to give all mills an opportunity of examining the credentials of any Jobber from outside their own labour force, whom they wished to engage, the Association, on the suggestion of Mr. Dalal, now maintains a full record of the Head Jobbers, Assistant Jobbers, etc., employed in mills. Record cards were, in the first instance, filled in by Mr. Dalal, in consultation with the mill managements, during his periodical visits to individual mills. Additions and alterations are made from time to time as and when new persons are engaged or existing operatives are discharged or leave service. The process of registration is now almost complete, and the Association possesses an up-to-date record of persons fitted for posts as Head Jobbers, Assistant Jobbers, etc.

4. *Control of the Employment of 'Badlis'.*—With a view to reduce the enormous turnover of labour in Bombay Cotton Mills, with the attendant loss to mills, Mr. Dalal devised a scheme for the control of the employment of *badlis*, which was approved by the Labour Advisory (Managers') Sub-Committee, accepted by the Committee, and has now been adopted by all mills in the City.

Briefly stated, the scheme seeks to control the employment of *badlis* by the issue of *badli* cards to all operatives engaged on a temporary basis. The *badli* card holders are required to attend the mills regularly each day and are given preference in employment over new operatives. Permanency in employment is accorded to an operative only after he has worked for several months as a *badli* and has had *badli* cards issued to him regularly during that period. Safeguards have been devised to ensure that no new *badlis* cards are issued so long as there are card holders waiting for employment, and the actual issue of the cards is checked by a 'timekeeper' or 'ticket boy' specially appointed for the purpose. The progress so far achieved with this experimental scheme is now engaging the attention of the Labour Advisory (Managers') Sub-Committee.

Mr. Dalal has, in addition, kept himself in close touch with the actual earnings of piece-workers in mills since the reduction in the hours of work to 54 per week. A mass of useful data has been collected, which might be useful in connection with any scheme of standardized rates of wages for piece-workers which might be attempted in future.

GOVERNMENT LABOUR OFFICER.

Towards the end of the year, Mr. A. W. Pryde, I.P., was appointed to officiate as Labour Officer for the City of Bombay and the Bombay Suburban District, *vice* Mr. W. B. Gilligan, I.C.S., who proceeded on leave. Mr. Pryde took over charge on 1st November 1935. (Appendix 13.)

WORKMEN'S COMPENSATION—OCCUPATIONAL DISEASES.

Towards the end of June, the Commissioner of Labour, Bombay, at the instance of the Government of India, invited the Association to express

an opinion on the desirability of including in Section 3—Schedule III of the Indian Workmen's Compensation Act—the following as occupational diseases :—

- (1) Silicosis ;
- (2) Arsenic Poisoning ;
- (3) Poisoning by the halogen derivatives of hydro-carbons of the aliphatic series ;
- (4) Pathological manifestations due to radium and other radio-active substances or to X-Rays;
- (5) Primary epitheliomatous cancer of the skin.

Special importance was attached to silicosis for it appeared from the data available to Government that there was definite evidence that silicosis occurred among workers in the Mysore gold mines. In other countries the disease was associated not only with gold mining but with many common industrial processes of which sand-blasting, the manufacture of china glass and pottery and stone cutting were examples. The absence of evidence of the existence of the disease in British India was probably due to failure to associate diseases of the lungs falling under the head of silicosis with particular industrial occupations. It was recognized that the disease could not ordinarily be definitely diagnosed except by experts equipped with radiological apparatus, and Government desired to know whether there were in any area sufficient facilities for the diagnosis of the disease for the purpose of workmen's compensation. In any event, it was thought that the risk of the disease could be minimised by the use of protective apparatus. In some factories, e.g., railway workshops, special measures were already taken to protect workers from the dangers incidental to sand-blasting and it was possible that the application of suitable regulations might have a substantial effect in reducing the incidence of the disease.

No information bearing on the incidence of the other diseases referred to was available, but as oxide of arsenic might be used as a preservative of hides, skins and furs and red orpiment as a depilatory in tanyards, it was felt that enquiries as to the incidence of arsenic might be made of such establishments.

The most important of the halogen derivatives of the hydro-carbons of the aliphatic series was the substance known as lead tetra-ethyl or lead ethide, which was commonly mixed with petrol. It was understood that this process of mixing was carried on at only two or three centres, and was carefully controlled by the companies. Processes involving the manufacture of chloroform or iodoform would also require examination in this connection.

Epitheliomatous cancer of the skin was associated with the handling or use of tar, pitch, bitumen, mineral oil, or paraffin or any compound, product or residue of these substances.

It was suggested that, in dealing with this part of the present reference, consideration of the subject should not be limited to workmen already brought within the Workmen's Compensation Act. Under Section 2 (3) of the Act, it was possible to add to Schedule II, any class of persons employed in a hazardous occupation, either without qualification or in respect of specified injuries only, and the inclusion in the Schedule of any class of employees who were not previously "workmen," but whose occupations exposed them to the hazard of these diseases might well be considered.

The diseases referred to in Government's communication were not known to occur among cotton textile operatives, and the Committee had, therefore, no objection to their inclusion in the list of occupational diseases in Schedule III of the Indian Workmen's Compensation Act. (*Appendix 14.*)

SICKNESS INSURANCE.

The question of sickness insurance was discussed by the Royal Commission on Labour in India at pages 265-269 of their report. The Commission held that the situation called for the exploration of all methods that might lead to the alleviation of the hardships due to the absence of an insurance scheme. They recognized that the statistical material available was insufficient, and recommended that, in the first instance, special enquiries should be instituted at selected centres as soon as possible. These preliminary enquiries were to be conducted by the Government of India with the assistance of a small informal committee drawn from the Central Legislature. The Committee, aided by medical, actuarial and statistical experts would, it was thought, be able to advise as to the nature of the statistics required, the centres where they might be collected, and the means whereby they should be obtained.

This recommendation, it would appear, was subsequently examined by the Government of India in consultation with the Standing Advisory Committee of the Central Legislature attached to the Department of Industries and Labour. The Committee had the assistance of the Public Health Commissioner on the medical aspects, and in considering the form in which the statistics should be collected, the Government of India were able informally to secure the advice of the Government Actuary's Department in London. The advice given indicated that an elaborate analysis would be required, over a period of at least five years, of the experience as regards sickness and employment of a representative sample of the industrial population. The requisite statistics would have to be collected on "experience cards" to be completed for each individual worker in the sample by a large number of employers throughout the country.

Government were inclined to the view that the proposals of the Commission were not free from ambiguity. According to them, the Commission had in view the possibility of the ultimate establishment of a comprehensive scheme applicable to the workers employed in organized industry, and believed that any such scheme would have to be based upon the statistical enquiry which they recommended; but they also attached

great importance to actual experience and suggested a "tentative scheme" applicable to single establishments, which might have been designed to afford a practical test of the statistical material or might, on the other hand, have been intended for independent adoption. Whatever the Commission intended, there was in fact no reason, in Government's opinion, why tentative schemes of the kind suggested should await a statistical foundation. Government thought that such schemes as were contemplated on pages 268-269 of the report could be introduced wherever medical facilities were or could be made available, provided that the employers and the workers were willing to make the necessary contributions.

Government considered that the statistical enquiry was thus not the only possible method of approach to the problem, and for the following reasons they doubted whether any advantage was to be gained by proceeding with it:—

- (a) The maintenance of the experience cards would be a difficult and probably a costly task, which it would be impossible to prevail upon employers to undertake ;
- (b) Even if the administrative and financial difficulties were overcome, statistical results obtained in the absence of benefits would be extremely unreliable because there would be no effective check on their accuracy ;
- (c) So far as the Government of India were aware, no local government or large body of employers was at present likely to institute any comprehensive scheme ;
- (d) Even if there were a prospect of a comprehensive scheme being undertaken, it would be a sounder and quicker method of proceeding to institute small empirical schemes, and to build on experience rather than on theory.

Towards the end of May, the Association was requested to express an opinion on the feasibility of a statistical enquiry of the kind contemplated by the Commission, and on the alternative possibility of building on the actual experience gained in the operation of small experimental schemes. With a view to assessing the extent and value of the material already available, it was further desired that information should be furnished of any schemes actually in operation in industrial establishments which involved the payment of financial benefits.

The Committee had no practical experience of schemes involving the payment of sickness benefits. Certain members of the Association had some years ago introduced schemes for the payment of sickness benefits from funds voluntarily raised from contributions made by workers, but most of these schemes had to be abandoned as the workers themselves were unwilling to contribute, though the monthly contribution in each case was as low as 4 annas. In the case of one mill, out of a total number of 7,000 workers employed, only 30 were members of the sickness benefit fund. The

“tentative scheme” which the Royal Commission had in view was apparently based on the assumption that the responsibility for medical aid and for financial benefits would be separated, the former being undertaken by Government, possibly on a non-contributory basis, and the latter by employers on the basis of contributions by themselves and by the workers. Practically all members of the Association had provided facilities for free medical treatment to their operatives at mill dispensaries and the expenditure incurred was a charge on the industry, and unless industrial establishments were relieved of this burden, it would not, it was thought, be possible for them to undertake further responsibilities in the shape of sickness benefits to their operatives, particularly in these very difficult times. Apart from such considerations, the Committee were of opinion that in view of the difficult nature of the problems involved and the absence of practical experience of any such schemes as were under contemplation, a statistical enquiry on the lines suggested by the Whitley Commission was absolutely necessary. Unless such an enquiry was undertaken, it would be very inadvisable to proceed with even a “tentative scheme.” Holding this opinion, the Committee regretted their inability to express any views on the main issues involved in the recommendation made by the Whitley Commission. (*Appendix 15.*)

HOLIDAYS WITH PAY

On pages 26 and 27 of their Report, the Royal Commission on Labour in India discussed the question of holidays for factory workers. They recommended that workers “should be encouraged to apply for definite periods of leave, and should go with a promise that on their return at the proper time, they will be able to resume their old work,” and urged “that, wherever possible, an allowance should be given to the worker who goes on leave after approved service.” It would appear that the Government of India had adopted the principle underlying these recommendations in dealing with their own industrial employees and had found it of advantage from the point of view of increased efficiency. They recognized, however, that in view of the migratory character of much Indian labour, there were administrative difficulties in applying generally any compulsory scheme to private factories or other establishments. Moreover, in consequence of the high rate of turnover in many industries and establishments, the result of any scheme of compulsory holidays with pay might, it was thought, be a general lowering of wages and a comparatively heavy tax on industry, for the benefit of a limited number of workers. Nevertheless, Government held that the provision of holidays with pay, if these were conditional on regular attendance for a reasonable period, might have appreciable effects in reducing turnover and encouraging more steady work. In view of the importance of the subject, the views of commercial bodies were invited, towards the end of April, on the following proposals which, it was understood, were to be placed before the following Session of the International Labour Conference at Geneva for preliminary discussion :—

- (i) Holidays with pay should be granted to workers other than those engaged in agriculture or shipping ;

- (ii) A minimum period of service under one employer should be prescribed after which a worker would be eligible for "Holidays with Pay," special provision being made for seasonal workers and those engaged in other occupations, e.g., the building trades, where frequent changes of employers were the rule; and
- (iii) The period of the holiday and the pay to be granted to the workers during holidays should be fixed on some definite basis.

It was pointed out that, if the Conference decided that the matter was suitable to form the subject of a draft Convention or Recommendation, it would determine the points on which the Governments of Member States should be consulted and the views expressed would then form the basis of the second and final discussion.

The Committee of the Association held that, from a strictly humanitarian point of view, nothing could be said against the proposals, but that so far as the Bombay Cotton Mill Industry was concerned, they thought certain considerations of a practical character had to be borne in mind in applying a measure of the nature proposed.

As an argument in favour of the proposed measure, it had been pointed out that the provision of holidays with pay, if these were made conditional on regular attendance for a reasonable period, might have appreciable effects in reducing turnover and encouraging more steady work. This statement, in the Committee's opinion, required some qualification. It had been estimated that not more than 25 per cent. of Bombay's textile labour force could be classified as "permanent." The rest, recruited mostly from the surrounding districts of Ratnagiri, Kolaba, etc., and from the United Provinces of Agra and Oudh, found employment in cotton mills from economic necessity. These people, as pointed out by the Royal Commission on Labour, cherished the hope of returning to their country now and then and retired there ultimately, and in any event, the continuous period spent by the average worker in an industrial establishment was brief. It, therefore, followed that the extent of the benefits which it was claimed might accrue to the employer as a result of the adoption of this proposal would be somewhat restricted in practice.

This conclusion was also borne out by an examination of the leave records of a few groups of mills in Bombay, from which it appeared that about 50 per cent. of the operatives absented themselves from work for varying periods during the year, a good proportion of them taking leave for periods exceeding 30 days at a time. The period of absence in each case appeared to have been regulated by certain social and economic considerations over which neither the employers nor the workers had any direct control. In the circumstances, the Committee were inclined seriously to doubt whether the proposal, if adopted, could be utilized under ordinary circumstances by a majority of the workers unless the leave granted was about a month in a year, which, of course, would be an impracticable proposition so far as the employers in the Bombay Cotton Textile Industry were concerned.

According to the information available to the Committee, there seemed to be a definite leave season for operatives, when applications for leave were more numerous than at other times in the year. It was considered that leave with pay would only accentuate this tendency, and thus adversely affect the efficiency of the mills in the leave season as the mills would perforce have to rely upon *badli* labour, which was only of a casual character.

Another point was the expenditure involved in granting a holiday with pay, which, in the present state of the textile industry would, it was thought, be a heavy charge, and taking into consideration the fact that several Bombay mills had already committed themselves to welfare work such as the establishment of creches in mills, etc., the Committee were inclined to the view that further schemes for the amelioration of the condition of the workers on the lines indicated in Government's communication should only be considered when the Industry was in a happier financial position than at present.

A further consideration, which arose from the fact that Bombay and Ahmedabad probably paid the highest wages in India, was that the proposal would affect these two centres more heavily than the other centres of the Industry in India.

Even in the most industrially advanced countries in the West, the principle of a holiday with pay to the workers appeared to be unheard of, and there was no special reason why it should be introduced in India where conditions were so different as to make it entirely unworkable, and the Committee considered that it would also discourage thrift. In England, workers provided for their holiday through the medium of their "Savings Clubs" specially organized for this purpose.

For these reasons, the proposals of the Whitley Commission were, in the opinion of the Committee, neither practicable nor desirable so far as this Industry was concerned. Moreover, an aspect of the matter which had to be taken into consideration was that the adherence of the Government of India to the Conventions adopted at the various International Labour Conferences placed mills in British India at a disadvantage in competing with mills in Indian States, which were neither parties to the Convention nor were bound to give legislative effect to such Conventions. Mills in Indian States already possessed an advantage over most of the mills situated in British India, and the increase in the cost of production which would follow on the adoption of the various International Conventions in British Indian Mills would give further encouragement to the development of the textile industry in the Indian States. For example, the 9-hour day which had been introduced in cotton mills in British India had, so far as the Committee were aware, not been given effect to by many Indian States. They, therefore, felt that, before committing themselves to any sort of an International Convention in this and other labour matters, Government might ensure that Indian States also undertook to give legislative effect to these Conventions.

The Committee had no detailed information about any system of holidays with pay introduced by large employers in this country. They

understood that Messrs. Buckingham and Carnatic Co., Ltd., Madras, had a system of holidays with pay. In their case, it appeared that the workmen generally preferred to take their privilege leave in short periods of one or two days per month until they had exhausted the total period allowed by the Company. There was also a large demand for privilege leave at certain times of the year, and the Company had to maintain a sufficiently large permanent staff on their muster-rolls to avoid dislocation of work during the leave season.

It is understood that the Committee's view-point was subsequently supported by several other organizations in India also. (*Appendix 16.*)

PROMPT PAYMENT OF WAGES BILL.

(*See pages 28 and 124 of Report for 1933.*)

On page 28 of the Association's Report for 1933 reference was made to "a Bill to regulate the Payment of Wages to certain classes of persons employed in industry" introduced by the Honourable Sir Frank Noyce in the Legislative Assembly early in 1933. A motion for the reference of the Bill to a Select Committee was tabled during the Delhi Session of 1933-34, but was not reached, and the Bill, therefore, lapsed. A new Bill based more or less on the same principles as the 1933 Bill, but revised in the light of the criticisms received by Government when the original Bill was circulated, was, therefore, introduced in the Assembly on the 13th February 1935.

The new Bill was applicable only to the payment of wages to persons receiving less than Rs. 100 per mensem. The provisions relating to prompt payment applied in the first instance only to factory employees, and those relating to deductions, to factory employees and railway workers. Local Governments were, however, empowered to extend any or all of the provisions of the Act to any class of persons employed in any industrial establishment, or in any class or group of industrial establishments.

The main provisions of the Bill were :—

Clause 2 sought to define "wages" so as to include payments in kind, and (with certain specified exceptions) all payments, however described, which were to be made to an employed person in consideration of his employment.

Clause 5 required payment of wages before the expiry of the seventh day from the last day of the wage period in which wages had been earned, and in the case of discharged employees, within two days from the date on which their employment was terminated.

Clause 6 laid down that wages due to an employed person should be paid to him without deduction of any kind except :—

- (1) Deduction by way of fines.

- (2) Deduction for damage to or loss of goods expressly entrusted to the employed person for safe custody.
(It was not intended to permit under this head, deductions in respect of damage to or loss occurring in the course of a manufacturing process, e.g., in respect of spoilt cloth.)
- (3) Deduction in respect of housing accommodation supplied by the employer and deductions for such other services as Government might authorize.
- (4) Deduction on account of advance payments of wages already earned or in adjustment of over-payment of wages.
- (5) Deduction on account of income-tax payable by the employed person.
- (6) Deduction required to be made under any order of a Court or other competent authority.
- (7) Deduction on account of subscription to and repayment of advances from any recognized Provident Fund as defined in Section 58 (a) of the Indian Income-tax Act of 1922, and
- (8) Deductions on account of payments to co-operative societies approved by the local governments subject to such limits as local governments might impose.

Clause 7 laid down that no deduction by way of fines should be made from the wages of any person, unless a notice had been exhibited in the prescribed manner at the premises in which he was employed, specifying the acts or omissions on the part of the employed person for which a fine might be imposed. It was further laid down that the total amount which might be imposed by way of fine in any one month on any employed person should not exceed an amount equal to half an anna in the rupee of the wages earned by him in that month, and that no deduction by way of fine should be made from the wages of an employed person who was under the age of 15 years. This clause also contained a provision to the effect that no fine imposed on any person should be recovered from him by instalments or after the expiry of 60 days from the date on which it was imposed, every fine being deemed to have been imposed on the day of the act or omission for which it was imposed.

Clause 10 empowered local governments by previous notification in the local official *Gazette* to make rules for the purpose of carrying into effect the provisions of the Act, particularly to prescribe the acts or omissions on the part of an employed person for which fines might be imposed and the manner in which and the conditions subject to which notice of such acts and omissions should be given as required in Clause 7.

Clause 12 proposed that claims on account either of delay or of deductions should be dealt with by a special authority. This authority,

it was further laid down, would have power to order the payment to the claimant of the sum wrongfully withheld *plus* compensation not exceeding ten times that sum in the case of deductions and Rs. 10 per head in the case of delay.

The remaining clauses in the Bill dealt with the administrative aspect of the legislation.

On 21st February, on the motion of the Honourable Sir Frank Noyce the Bill was referred to a Select Committee. As the Association's representative in the Assembly was also included in the above Committee, the Bill was carefully examined by the Committee, and a note setting forth their considered views on the various clauses was prepared for his guidance.

Briefly stated, the Committee held that—

- (a) it would be difficult, in view of the large number of piece-workers employed in the industry and the intricate calculations involved in calculating wages, to pay their wages within seven days from the termination of the wage period. It was, therefore, urged that efforts should be made to secure the extension of the time limit up to the 10th day after the termination of the wage period.
- (b) Efforts should be made to secure recognition of deductions for damaged cloth. The equity of making such a deduction had been endorsed by the Fawcett Committee and the following Order 23, incorporated in the Association's Standing Orders, was framed by them :—

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

- (c) Another type of deduction which the Bill probably did not recognize was the amount due by workmen in respect of supplies received from mills' shops. For instance, in the Buckingham and Carnatic Mills, workmen were allowed the privilege of buying on credit clothing materials for themselves and their families, and household supplies like rice and other foodstuffs at special rates. These facilities were greatly appreciated by the workpeople, but if the Bill prohibited recovery of the

amounts due from the workmen in respect of such supplies these shops would have to be closed down. It was, therefore, suggested that—

“Deductions from wages at the request of the workers concerned for special amenities provided by the employer where such amenities are provided on credit terms”

should be included in the list of admissible deductions.

- (d) The list of permissible deductions set forth in the Bill did not include forfeiture of wages in lieu of notice, thereby depriving an employer of the right he had under the terms of any special contract he might have with his workmen, of deducting the amount of such forfeiture from the wages due. The question was discussed at great length before the Fawcett Committee, who held that “if any permanent operative leaves service, without notice, he shall be liable to forfeit by way of liquidated damages, at the discretion of the manager, the whole or part of the wages due to him for the 14 days immediately prior to his so leaving.” It had been argued that, in these circumstances, the employer had his remedy at common law, but this was no remedy at all in the case of a workman in India, who, on leaving employment without notice, was generally untraceable, and even if traceable could not be made to pay. It was, therefore, thought that the best method of recovering compensation due to the employer in the event of the workman leaving service without notice, would be by means of a deduction from the wages due to him.

Several amendments of a minor character were made by the Select Committee in the Bill, but none of the major alterations proposed by the Association were found acceptable to them. In these circumstances, Sir Hormasji Mody appended a minute of dissent to the Select Committee’s report, setting forth the Association’s view-point on the major issues involved in the Bill. It is understood that the Select Committee’s report will be discussed in the Assembly early in 1936. (*Appendix 17.*)

ABOLITION OF ARREST AND IMPRISONMENT FOR DEBT.

(*See pages 32 and 145 of Report for 1933.*)

On page 32 of the Report for 1933, reference was made to the views expressed by the Association on a proposal made by the Royal Commission on Labour in India that so far as industrial workers in receipt of wages or salary amounting to less than Rs. 100 per month were concerned, arrest and imprisonment for debt should be abolished, except where the debtor had been proved to be both able and unwilling to pay.

On 13th February 1935, the Honourable Sir Henry Craik introduced in the Legislative Assembly “a Bill further to amend the Code of Civil Procedure, 1908 (amendment of Section 51) for certain purposes.” According

to the Statement of Objects and Reasons, the Bill sought to protect honest debtors of all classes, and not of the industrial worker class only, from detention in civil prison and to confine such detention to debtors proved to be recalcitrant or fraudulent. It provided, *inter alia*, that no order for execution by detention in prison should be issued unless the debtor had been given an opportunity of showing cause why he should not be committed to prison and the Court was satisfied for reasons recorded in writing that:—

- (i) the debtor was likely to leave the local limits of the jurisdiction of the Court or had after the commencement of the suit, fraudulently disposed of his property, and
- (ii) that he was unable to pay the amount of the decree otherwise than from protected assets.

The Bill was applicable to all judgment-debtors as the Government of India in consultation with local governments felt that there was no sufficient justification for restricting its application to small debtors only.

In accordance with the resolution adopted by the Legislative Assembly on the 18th February, the Bill was circulated for the purpose of eliciting opinion thereon, and towards the middle of March, the Association was invited to express its views on the proposed amendments. The position taken up by the Committee of the Association, when the proposal was first discussed in 1933, was that there was no reason why immunity from arrest and imprisonment should be granted only to a particular class or community. If there should be no arrest and imprisonment for debt, where the judgment-debtor was both willing and unable to pay, then, it was held, that it should, in fairness, be made applicable to all classes of people. This suggestion appeared to have been incorporated in the Bill, and the Committee, therefore, accorded their full support to the proposed amendments. (*Appendix 18.*)

ATTACHMENT OF SALARIES AND WAGES.

BILL FURTHER TO AMEND THE CODE OF CIVIL PROCEDURE, 1908.

(*See pages 34 and 150 of Report for 1933.*)

In the Association's Report for 1933, reference was made to the views expressed by the Committee on a recommendation made by the Royal Commission on Labour in India for the entire exemption from attachment of salaries and wages of industrial workers receiving less than Rs. 300 a month.

On the 18th February, the Honourable the Home Member introduced in the Legislative Assembly "a Bill to further amend the Code of Civil Procedure, 1908 (Amendment of Section 60) for certain purposes." According

to the Statement of Objects and Reasons the Bill sought, among other things, to give effect to the following proposals :—

- (1) Salaries, not exceeding Rs. 100 a month, of all workers should be totally exempt from attachment.
- (2) Pay of employees in the service of Government, Railway Companies and local authorities getting more than Rs. 100 a month should be exempt to the extent of the first Rs. 100 and one half of the remainder, and
- (3) While the attachable portion of the pay of employees specified in (2) should remain as at present liable to continuous attachment, the period of attachment should be restricted as follows, viz., that after a debtor's pay has been attached for a total period of two years (in one or more periods) no further attachment should be possible in favour of the same decree or in favour of any other decree until twelve months have elapsed.

The Bill further sought to do away with the favoured position of co-operative societies as creditors. Whereas an attachment in favour of an ordinary creditor should leave a Government or Railway servant at least Rs. 40 of his salary, in the case of co-operative societies, the limit was Rs. 20 : in other words, co-operative societies had under the existing law, a greater hold on the more poorly paid Government servants, and this power was sought to be abrogated.

These proposals were in accordance with the views expressed by the Association on the subject in 1933, but there was one point which the Committee desired to press once again on the attention of Government. Complete immunity from attachment was afforded in respect of wages of workers and domestic servants so far as their salaries or wages as the case might be, did not exceed Rs. 100 per mensem, whereas in the case of salary earners, whose earnings did not exceed Rs. 100 a month, and who could not be classified either as "workers" or "domestic labourers," no such immunity was proposed to be given, and the whole or part of their wages or salaries could be attached after they became payable. It was true that the Whitley Commission specifically recommended the exemption for industrial workers, and did not recommend its extension to the general public, but the recommendations of the Commission were, in virtue of their terms of reference, strictly confined to labour, and it was reasonable to suppose that had their terms of reference been more comprehensive, the Commission would have widened the scope of their recommendations considerably. The point had already been recognized by Government, and though the Whitley Commission recommended the abolition of arrest and imprisonment where no contumacy was proved for industrial workers only, Government had decided that this concession should be made applicable to all classes of honest debtors. In any event, the Committee did not see any reason why the wages of an industrial worker drawing less than Rs. 100 a month should be granted immunity from attachment, while the salary of a clerk in a commercial establishment drawing, for example Rs. 80 per month, should not be afforded the same immunity. However, the Association was subsequently assured that the Bill did protect from attachment all salaries of less than Rs. 100.

The Bill came up for discussion in the Assembly on 9th April, and it would appear, was criticised on the ground that it gave a privileged position to Government servants in comparison with other employees. The spokesmen of Government explained that in the view of the Government of India, both under the present law and under the Bill, the position of the Government servant was less favourable than that of the private employee. The existing provisions relating to the attachment of the pay of Government servants were introduced into the law as long ago as 1879, and the exact reasons for their introduction were somewhat obscure. The intention apparently was to give some protection to employers and particularly to Government rather than to the debtors or the creditors. Government at that time probably thought that the system would enable the officers to know of the indebtedness of Government servants, and would also be in the interests of Government's work by protecting debtors from frequent visits to the Courts. The effects of this system which was entirely unknown in England were clearly not foreseen. Changes in the system made by the existing Bill were confined to a small change in the attachable amount and to a restriction on the period for which that amount could be continuously attached, the principle of attachments before the pay became actually payable being maintained.

Ultimately on a motion from Government, the Bill was referred to a Select Committee for consideration and report, but the Honourable the Home Member undertook to ascertain the opinion of the Local Governments and other interested bodies on the provisions of the Bill before the Select Committee met. In accordance with the above undertaking the Government of Bombay, at the instance of the Government of India, requested the Association towards the middle of May to express an opinion on the provisions of the Bill generally, and in particular on the advisability of placing all Government servants, Railway employees and servants of local authorities or any particular class of such persons in the same position as private employees by making their pay attachable only after it had become payable and at the same time removing the restriction on the amount attachable.

The Committee of the Association had previously expressed themselves in favour of a curtailment of the power to obtain continuous attachments on the salaries of public officers, no exact limit being proposed with regard to the amount attachable and the period for which continuous attachments could be secured. As the proposed Bill had the same objects in view, the Committee stated that they had nothing further to add to the point of view already expressed by them in this regard. (*Appendix 19.*)

CONTINUOUS REPRESENTATION OF THE ASSOCIATION IN THE CENTRAL LEGISLATURE.

(*See also pages 37 and 212 of Report for 1932.*)

In a Supplementary Report released early in October, the Bombay Provincial Delimitation Committee set forth their recommendations on the delimitation of constituencies for the Federal Council of State, Federal Assembly and the Bombay Legislative Council. So far as the seats of

Commerce and Industry in the Federal Assembly were concerned, the Committee's recommendations, which were accepted by Government, were, briefly, that "of the 3 seats allotted in the Federal Assembly, one should be given to a constituency formed by the Bombay Chamber of Commerce and the Bombay Trades' Association combined, one to the Indian Merchants' Chamber and one to the Bombay and Ahmedabad Millowners' Associations in rotation. It was proposed that the method of election should be the same as that prescribed at present for the Commerce and Industry seats allotted to this Presidency in the Indian Legislative Assembly."

The recommendations made by the Bombay Provincial Delimitation Committee in regard to the allocation of seats for commerce and industry in the Federal Assembly were carefully considered by the Committee, and in submitting their criticisms on the proposals to the Indian Delimitation Committee, they once again emphasized the claim of the Association to continuous representation in the Federal Assembly. It was pointed out that, judged by any standard, the Millowners' Association, Bombay, had as great a stake in the trade, commerce and industry of the country as any other association or chamber, and greater than most such bodies. It was the only organization of its kind, which had an all-India membership. Its influence in the commercial and industrial field had consistently grown since its establishment in 1875, and since 1924, when the first case for continuous representation in the Assembly was submitted, the up-country membership of the Association had increased by 50 per cent., and there was no important centre of the Industry in the country which was unrepresented in the Association.

The Association had consistently adopted an economic view point towards all the important questions with which it had to deal, and provided an outstanding example of an organization composed of different nationalities, European and Indian, working in harmonious co-operation for the common good. On no important issue had any extraneous considerations not affecting the merits of the case been allowed to influence the policy of the Association. During the past 60 years, the representatives of the Association in the central and provincial legislatures and on commissions and committees of enquiry had rendered invaluable help in the economic development of India, and the Association's work in this connection had been widely recognized. The Committee, therefore, strongly felt that the all-India character of the Association's work and activities made it essential that continuous representation should be given to it in the Federal Assembly in order to ensure the continuance in the fullest measure of the Association's collaboration in the cause of progress in the industrial and commercial field.

The Committee further urged the need for an amendment of the procedure regarding elections in commerce and industries constituencies in the manner suggested in the Association's representation to the Bombay Provincial Delimitation Committee, and indicated that the Association would be prepared, if the Indian Delimitation Committee considered it desirable, to submit a fuller statement of their case or appoint a representative to give oral evidence before them.

Accordingly, on the invitation of the Indian Delimitation Committee, Sir Hormasji Mody and Mr. T. Maloney gave oral evidence on behalf of the Association, early in December. (*Appendix 20.*)

RE-ARRANGEMENT AND RE-DISTRIBUTION OF COMMERCE AND INDUSTRY CONSTITUENCIES.

PROVINCIAL LEGISLATURES.

(*See also pages 39 and 218 of Report for 1932.*)

On page 39 of the Association's Report for 1932, reference was made to certain suggestions made by the Indian Franchise Commission for the effective representation of commercial and industrial interests in the provincial legislature. The Commission recommended the retention of the seats at present allotted to commerce, industry and trade without any proportionate increase in their number consequent on such increase in the size of those legislatures as might ultimately be approved, but stated that the desirability of some re-arrangement or re-distribution of commerce and industries constituencies should be further examined at the stage of delimitation of constituencies generally. The Commission also stated in their Report that it had been pointed out to them that in some cases the rules of certain associations which were recognized for the purpose of electing members to the Legislatures might be so applied as to seriously affect their representative character. The Commission had no evidence before them that this had in fact occurred, but they recommended that the point should be borne in mind, and the position reconsidered if it should, at any time, appear to Government that they were no longer representative of the interests assigned to them. The Committee of the Association then thought that the representation proposed to be accorded to commerce and industry was very inadequate, taking into consideration the greatly enlarged size of the provincial legislature; so far as the electoral rules were concerned, they held that no changes appeared to be called for in the electoral rules of the Bombay Mill-owners' Association Constituency.

Early in June, the Director of Information, Bombay, announced in the course of a *Press communique* that, with a view to investigate the preliminary action which was necessary to provide for the constitution of the Bombay Legislative Assembly and the Bombay Legislative Council under the provisions of the Government of India Bill then before Parliament, the Government of Bombay had decided to appoint at once a Provincial Committee to consider the delimitation of constituencies for the two chambers of the Provincial Legislature mentioned above and to make a report embodying their recommendations. It was made clear that the investigations of the proposed Committee were purely for the purpose of clearing the ground and would be based on the proposals already incorporated in the Government of India Bill, which was then subject to further consideration by both the Houses of Parliament, so that any action taken was, in these circumstances, of an entirely provisional nature.

The Bombay Provincial Delimitation Committee, which was presided over by the Honourable Mr. Justice N. J. Wadia, subsequently commenced their sittings from the middle of June, and in the course of a statement submitted on behalf of the Association, it was pointed out that the Association was the most representative body of millowners in India, whose membership covered every province and practically every centre of the industry. The position it had occupied in the industrial life of India did not require to be stressed, and in December 1927, Lord Irwin, the then Viceroy, expressed himself thus :—

“ Your Association is valuable not only to yourselves, it is also a great asset to the Government of India. There is hardly a single important question connected with industries, factory legislation or labour during the past 50 years in which the Government has not been assisted by the considered views of the millowners of Bombay.”

Having regard to all the facts, the Committee maintained that the proposed representation of commercial and industrial interests in the Bombay Legislative Assembly was altogether inadequate, and placed them at a considerable disadvantage *vis-a-vis* labour interests, which, taking into calculation the seats allotted to the depressed classes, had for all practical purposes, a representation of 22 members. It was, however, recognized that this anomaly could not be set right by the Bombay Provincial Delimitation Committee : the least the Delimitation Committee could, therefore, do to safeguard the interests of the Association was to transfer to the Bombay Millowners' Association Constituency the seat at present reserved for the Karachi Chamber of Commerce.

Another point which the Committee desired to take up related to the method of voting in regard to Commerce and Industries constituencies. The existing rules and regulations prohibit voting by post. The membership of the Association was of an all-India character, and unless all members could specially make it convenient to be present in Bombay for the purpose of recording their votes, it was impossible for them to participate in any election. It was, therefore, suggested that, from the point of view of the convenience of all members of the Association, voting by post should be permitted to the Millowners' Association and similar constituencies.

In paragraph 325 of their Report the Franchise Commission had suggested that, in the case of Commerce and Industries constituencies, the name of the firm should appear on the electoral roll, and that the firm should depute someone to act on its behalf in an electoral capacity. Certain draft amendments in the Bombay electoral rules subsequently framed by the Local Government to give effect to this suggestion had been entirely approved in principle by the Association. What the Committee had in view was that the rules should be so amended as to ensure the senior-most officer of any member taking part in any election without any difficulty, which was not possible under the existing rules.

The Report of the Bombay Provincial Delimitation Committee was issued early in August. On a consideration of the claims put forward by various commercial and industrial bodies, that Committee held that the

seven seats allotted to Commerce and Industry in the Legislative Assembly should be distributed as follows :—

	Seats.
Bombay Chamber of Commerce	2
Bombay Trades' Association	1
Bombay Millowners' Association	1
Ahmedabad Millowners' Association	1
Indian Merchants' Chamber and Bureau	1
East India Cotton Association, Ltd.	1

As regards the electoral rules for Commerce and Industry constituencies, the Committee suggested that the new rules should remove the existing difficulty "by providing that in the case of a Commerce and Industry constituency, if the person registered on the electoral roll for the time being in force of the constituency is a firm, company or corporation, any person who on the date on which the roll is taken is entitled to exercise the rights and privileges of membership on behalf of and in the name of such firm, company or corporation shall be entitled to vote at an election of a member or members for the constituency." Government accepted the Committee's recommendation, provided it was not considered to infringe the provisions of the Communal Award of His Majesty's Government. (*Appendix 21.*)

COTTON GINNING AND PRESSING FACTORIES BILL.

(*See also pages 41 and 224 of Report for 1934.*)

In the last report of the Association, reference was made to the views expressed by the Association on the question of licensing of gins and presses as a means of preventing the various malpractices prevailing in the cotton trade.

Early in October, the Government of Bombay published in the *Bombay Government Gazette*, under Rule 18 of the Bombay Legislative Council Rules, "A Bill to amend the Cotton Ginning and Pressing Factories Act, 1925, in its application to the Presidency of Bombay." According to the Statement of Objects and Reasons, the Bill was designed to give effect to certain suggestions which had been made to Government with the object of putting a stop to malpractices such as (1) watering of cotton (2) mixing of different varieties of cotton (3) false packing, etc., as a means of maintaining the purity of improved grades of cotton and securing the grower an adequate price for superior cotton. It sought to introduce a system of licensing of gins and presses, and to prohibit the mixing and watering of cotton, or even ginning and pressing of mixed or watered cotton by constituting them as offences punishable under the Act with fine extending to Rs. 1,500.

The Committee of the Association had repeatedly advocated the introduction of legislation for the compulsory licensing of gins and presses, which, they maintained, would not only enable manufacturers in India to obtain pure cotton, but would also be beneficial from the point of view of the

agriculturist, in that it would enhance the reputation of Indian cotton abroad. They, therefore, supported the principle underlying the Bill, and expressed the hope, in view of the general prevalence of these malpractices in the cotton growing areas of India, that other provinces would follow the example of Bombay and the Central Provinces which had already introduced legislation in this direction.

The Bill was introduced in the Legislative Council on the 21st November, by the Honourable Sir Robert Bell, who dwelt at length on the necessity, in the interests of cotton cultivators, of legislation for the prevention of such malpractices as mixing, watering and false packing which had involved cultivators, especially in the Punjab, in enormous losses. The Honourable Member further observed :

“The method of procedure is to license the gins and to provide penalties for the malpractices to which I have referred. These malpractices are of two kinds, which are described in Clause 4 of the Bill : One kind includes watering, allowing seed into the ginned cotton and the following of other methods for introducing foreign substances ; the second type of malpractice is mixing different varieties of cotton. As regards the second practice, it is not proposed to apply the measure elsewhere, in the first instance, than in a special area in Sind, a compact area south of the Jodhpur Railway, which it is hoped will subsequently grow entirely long staple cotton.....

“Penal provisions have been made in the Bill including the cancellation of a license, but the offences can, in any event, be compounded. It is also not intended to work the Act stringently for a year or two. There are various reasons for this. This is a new kind of legislation in India and also there are at present practical difficulties in the cultivators obtaining a full supply of pure cotton seed. It will be for the authorities in Sind to decide when to apply the Act strictly.”

It was further explained that the real power in regulating the working of the Act would, to an appreciable extent, lie with the trading interests concerned.

In supporting the Bill, Mr. S. D. Saklatvala referred to the great harm done to the trade by the malpractices which the Bill was designed to stop. In his opinion, the Bill was neither so harsh as to hinder trade, nor so innocuous as to render it practically useless, and it would well serve the end in view.

On 23rd November, the Honourable the Home Member moved that the Bill be referred to a Select Committee. An amendment moved by Rao Saheb P. D. Kulkarni, that the Bill be published for the purpose of eliciting opinion thereon was negatived. The Honourable the Mover however promised to circulate the Bill, as amended, to those bodies which had already been consulted excluding those which were represented on the Select Committee and to obtain the views of the Cotton Ginners' Panchayat of Sind ; and the original motion for reference to the Select Committee was adopted by the House.

It is understood that the Select Committee will meet early in 1936, to consider the Bill. (*Appendix 22.*)

BOMBAY COTTON CONTROL BILL.

Towards the end of September, " a Bill to provide for the prohibition of the cultivation of Goghari cotton and the mixing of such cotton with other cotton and for the prohibition or restriction of the possession or use of, or trade in, Goghari cotton or cotton mixed with Goghari cotton " was published in the *Bombay Government Gazette* under Rule 18 of the Bombay Legislative Council Rules. According to the Statement of Objects and Reasons appended to the Bill :—

" The protected areas south of the Nerbudda river and more particularly the ' South Surat ' protected zone grow one of the very best cottons of India known to the trade as ' Navsari ' cotton (1027 A.L.F.). This cotton is highly appreciated in India as well as in foreign countries (Lancashire) for the reputation of its long and fine staple. It is the policy of the Agricultural Department to cover the whole of the Surat Protected Area with 1027 A.L.F. cotton which by virtue of its superior qualities is much in demand and is therefore a profitable crop to the cultivators. Goghari cotton is a distinctly inferior type of cotton but owing to its high yield and higher ginning percentage over the 1027 A.L.F. cotton it is often mixed with the latter as the resultant mixture when sold in the name of pure 1027 A.L.F. cotton gives a better return to the seller. This, however, is due entirely to the high reputation of the 1027 A.L.F. variety of cotton which has been grown in the area for some years now, but should the spread of Goghari cotton in the Surat tract continue it will ruin the work of the Agricultural Department, jeopardize the reputation of the 1027 A.L.F. cotton and result in a big drop in price of the cotton. This fall in price will eventually react on the grower who will therefore be the chief sufferer in the long run. All the time, labour and money spent in the introduction and spread of 1027 A.L.F. cotton in this tract, the efforts made to maintain the purity of this cotton by the application of the Cotton Transport Act to this area, the large amount of money spent by the Indian Central Cotton Committee to increase the yield by research into the physiological and entomological aspects of the problem of cotton growing in this tract, would be wasted if adequate steps are not immediately taken to eradicate Goghari cotton from the tract. If Goghari cotton is allowed to spread in the tract at the rate at which it now does, growers of this area would soon reach the state of 1919 when over a lakh of bales of ' Broach ' cotton were rejected in Bombay as not having those qualities which cotton from this tract is supposed to have."

Although the application of the Cotton Transport Act in 1923 to this tract stopped the import of Goghari into Surat tract from the north of the Nerbudda river, the seed of the Goghari cotton had continued to be imported ; and in spite of very serious efforts to distribute large quantities of seed of 1027 A. L. F. at a great cost to the Government and the Indian Central Cotton Committee, and persuasions of the gin-owners to oust the Goghari cotton, this cotton had not only continued to exist in both pure as well as mixed state, but had expanded to a very serious extent, forming 25 per cent. of the total cotton ginned in Navsari in 1933-34. Even during the season 1934-35, a high percentage of Goghari mixture had been observed in a number of new villages in Jalalpure Taluka in spite of very intensive campaign against Goghari in the previous season. These facts indicated the urgent necessity of legislation for the prohibition of the growing and handling of the Goghari cotton in the Surat zone, south of Nerbudda, in the interests of the grower. The leading traders and growers had unanimously agreed to prohibitive action against the Goghari cotton in the tract, and the Bill was drafted on the lines of the Madras Cotton Control Act of 1932.

In introducing the Bill in the Legislative Council on 23rd November, the Honourable Dewan Bahadur Kambli, Minister for Local Self-Government,

observed that legislation was rendered necessary, chiefly, in the interests of the cultivators, who stood to gain ultimately by the operation and working of the Bill. It was also in the interest of trade and equally of the mills and millowners. Dealing with the provisions of the Bill, the Honourable Member explained :—

“The operative part of the Bill, I may say, is contained in Clauses 3, 4 and 5. By Clause 3 of the Bill, Government propose to take power to issue a notification prohibiting the cultivation, etc., of Goghari cotton in such local area and for such period as may be specified in the notification. The objects and purposes of such notification are three in number. The first one is to prohibit the cultivation of Goghari cotton; the second one is to prohibit the mixing of Goghari cotton with any other cotton, and the third one is to prohibit the possession or use of, or trade in, Goghari cotton or any other cotton mixed with Goghari. Clause 4 is a penal clause. It provides for a penalty if any person contravenes the provisions of the Bill or of any notification issued under Clause 3. Clause 5 provides that any cotton in respect of which an offence has been committed is liable to be confiscated.”

The other provisions were incidental to and necessary for the carrying out of the provisions of the Bill.

In supporting the Bill, Mr. S. D. Saklatvala, the Association's representative, referred to the world demand for long-staple cotton and the need for encouraging the growth of such cotton in areas suitable for the purpose in preference to the inferior variety, more especially in view of the ample supply of short-staple cotton in India. He pointed out :—

“Every bale of Goghari cotton produced in India will add to the difficulty of the Indian cotton market with its surplus of short-staple cotton. On the contrary, a bale produced from 1027 consumed in India would replace foreign cotton of an equivalent quality which is now consumed in India. Particularly at this juncture, India is doing its best to find a market for its cotton. We are asking Lancashire and others to use as much Indian cotton as possible. Therefore, unless we grow varieties which are suitable to Lancashire and the Continent we cannot achieve our object. The cultivator stands to gain more, the more competitors there are in the market. From that point of view, we must give encouragement to the growing of long-staple cotton in India. Not only the outside market, in India itself, the mills are changing the character of their production and going in for finer varieties of crop year by year. If nothing but 1027 is grown in that tract, the cotton will be readily consumed by the mills. Now whatever is grown of 1027, it is consumed by the Ahmedabad mills, so that Bombay mills do not get a supply of that variety. Therefore, there is not only a foreign market, but there is a home market. When there is a market at our doors, we should endeavour to grow this variety. In my opinion, this is a very useful thing.”

A number of amendments were tabled during the debate on the first reading of the Bill, but these were either negatived or withdrawn by leave of the House. Dealing with an amendment moved by Sardar Rao Bahadur B. R. Naik, which sought to limit the life of the Bill to a period of three years, the Honourable Mover assured the House that under Clause 3 of the Bill, Government intended in the first instance to fix a period of three years, and that the question of an extension would be considered at the end of that period in the light of the experience gained as to whether the provisions of the Bill were found to be profitable and beneficial not only to the cultivators but also to the general public. He also pointed out: “Under Clause 3 Government can issue a notification restricting the area and also restricting

the period, and in fixing the period, Government would see that, in the first instance, the Act would be in operation for a period of three years."

The Bill was then read clause by clause and with a few verbal alterations was ultimately adopted by the House. (*Appendix 23.*)

THE EAST INDIA COTTON ASSOCIATION—HEDGE CONTRACTS—
PROPOSED INSTITUTION OF A NEW STAPLE CONTRACT.

Towards the end of June, the Committee were informed that a Special Sub-Committee of the East India Cotton Association had been appointed "for the purpose of revising the present Hedge Contracts with special reference to the proposed suggestion of a new staple contract against which cottons of $\frac{7}{8}$ " staple length and above only are to be made tenderable, and submitting their concrete recommendations to the Board." In this connection, it would appear that the Board of the East India Cotton Association had before them the following suggestions:—

Suggestion (a) —

- (1) The existing Broach Contract should be retained as at present and not widened any further,
- (2) A special quality staple contract, which might be named "Staple Brown" and "Staple White" with a prescribed minimum staple length of $\frac{7}{8}$ " and above should be created, and that Verum cotton should be included in this contract,

or,

Suggestion (b) —

The existing Broach and Southern Contracts be regrouped into two new contracts, the one containing styles with a prescribed minimum staple length of $\frac{7}{8}$ " and above, and the other containing all styles of cotton tenderable thereagainst but which are below $\frac{7}{8}$ " staple, subject, however, to the inclusion of C. P. No. (1) in the Broach Contract.

Suggestion (a) appeared to have been accepted by the Board which meant, in effect, that the East India Cotton Association were not in favour of widening the existing Broach Contract. On the other hand, there was a possibility of some of the growths tenderable against this contract being brought under the proposed new contract. As regards the inclusion of Verum cotton in the proposed "staple contract," it seemed to have been definitely turned down by the Board on the ground that "before including a new strain of cotton in any of the existing Hedge Contracts, the cotton must stand the vagaries of climate for a few years at least, and if the crop turned out was not consistent, as was the case with Verum cotton, it would be advisable to keep it out of the contract."

The arguments advanced in support of the creation of a separate staple contract appeared to be —

- (a) The desirability of protecting growers of Tinnevely, Karunganni and other staple varieties. These are at present tenderable under Hedge Contract No V.—Southernns—which is practically a dead contract. Their inclusion in Broach Contract would do them no justice either, on account of their higher spinning properties, colour and appearance.
- (b) In the absence of a satisfactory Hedge, growers do not find it worth while to continue to grow finer varieties.
- (c) The introduction of such a staple contract would satisfy the requirements of Lancashire spinners, and might lead to increased consumption of Indian cotton in Lancashire.
- (d) The new styles produced by the Agricultural Department were threatened with extinction as, in the absence of a satisfactory Hedge Contract, the growers were entirely at the mercy of outsiders.

After a careful consideration of the whole question, the Committee felt that the proposal should be opposed on the following grounds:—

- (1) The Millowners' Association, Bombay, had always held that the existing Hedge Contracts were not wide enough and that the institution of a single Hedge Contract should be the ultimate ideal to be aimed at by the East India Cotton Association.
- (2) The object which the proposal had in view could be more appropriately served by reviving the Southernns Contract and amalgamating it with Broach.
- (3) It was incorrect to say that the demand for a new contract of the type proposed came from the growers. Representatives of growers and the Indian Central Cotton Committee who tendered evidence before the Wiles Committee in 1930-31, did not press the need for a special staple contract on the lines proposed. In short, what they wanted was that the Southernns Contract which was practically a dead contract should be amalgamated with the Broach Contract. This was entirely in accordance with the views of the Millowners' Association, Bombay.
- (4) The "squeeze" which occurred in the Broach Contract during the last season, proved conclusively that the Broach Contract as it stood was not wide enough. Therefore, what the East India Cotton Association were seeking to do was to make matters worse by narrowing this contract,

- (5) The best way to ensure the interests of all parties would be to make the existing Broach Contract less liable to raids, and this certainly was not going to be achieved by the proposition before the East India Cotton Association,

and the millowner Directors on the Board of the East India Cotton Association were informed accordingly. (*Appendix 24.*)

OPTION BYE-LAWS OF THE EAST INDIA COTTON ASSOCIATION.

(*See also pages 28 and 154 of Report for 1931.*)

In paragraphs 39 and 40 of their Report, the Bombay Cotton Contracts Act Committee of 1930, stated in regard to Teji Mandi transactions :—

39. "There would seem, therefore, only two alternatives open to the Association, one to attempt to suppress the transactions entirely, and the other to recognize them and bring them under control by bye-laws. The evidence which has been submitted to us is unanimous in holding that the transactions have become to such an extent a feature of the Forward market that the Association will be unable to suppress them. In view of this universal expression of opinion we consider it advisable that the Association should frame bye-laws for their control.

40. The objection which has been urged against the recognition of these dealings is that they do undoubtedly tend in certain conditions of the market to increase the fluctuations of price, up or down as the case may be, and it is feared that an attempt to regulate them may only increase the already excessive speculative element in the trade. On the other hand, we are convinced that bye-laws can be so framed as to reduce both the volume of dealings and their speculative character.

We recommend, therefore, after full consideration (Sir Ness Wadia dissenting), that the Association should frame bye-laws providing for the compulsory payment of cash premia and the regular payment of difference through the Clearing House."

In expressing their views on the Wiles Committee's report, the Committee of the Association stated in April 1931, that Teji Mandi transactions should, if possible, be abolished altogether, and declared illegal. It was doubtful whether the East India Cotton Association would be able to suppress them and it was, therefore, held that failing the possibility of the entire suppression of these transactions in the peculiar conditions of the trade in Bombay, they should be brought under the control of the East India Cotton Association by means of suitable bye-laws, e.g., bye-laws providing for the compulsory payment of cash premia and the regular payment of differences through the Clearing House. The Committee further urged that the Clearing House should maintain a record of payments made by way of differences in Teji Mandi transactions so that the extent of such transactions might be known.

In accordance with the recommendations made by the Cotton Contracts Act Committee, certain new bye-laws were subsequently framed by the East India Cotton Association, and together with certain consequential amendments to existing bye-laws, were placed for approval before an extraordinary general meeting of the Association early in January.

The Committee of the Association were informed that as much as 60,000 bales of cotton were on option at the moment and this had pushed up the market unnecessarily to the detriment of genuine traders. In view of this great increase in option business, the Committee considered that no bye-laws which the East India Cotton Association might adopt would be likely to bring about a reduction in the volume of option business, or reduce the liability of the market to sudden crises. They, therefore, deemed it desirable to revert to the original position taken up by the Association, namely, that "Teji Mandi" transactions should be abolished altogether and declared illegal. Instructions were, therefore, issued to all millowner representatives of the Buyers' Panel of the East India Cotton Association, asking them to attend the extraordinary meeting and oppose the adoption of the new bye-laws. Nevertheless, the new bye-laws were passed at the meeting and subsequently submitted to the Government of Bombay for sanction which has not so far been granted. (*Appendix 25.*)

PREVENTION OF GAMBLING IN AMERICAN FUTURES.

On 22nd July 1935, Mr. A. N. Surve moved the following resolution in the Legislative Council:—

"This Council recommends to Government to take effective and immediate steps to check the ruinous and alarming spread of gambling, popularly known as the American Futures or cotton numbers, which has taken a firm hold in Bombay and other cities in the Presidency and which is now spreading rapidly to other parts also."

In the course of the discussions which ensued, it appeared that the exact implications of the resolution had been misunderstood by a section of the House, and in explaining Government's view of the case, Mr. C. G. Freke stated:—

"The course of discussion of this resolution has shown that there are linked together in the minds of honourable members two entirely distinct problems, problems which are not necessarily connected in any way. For convenience, I may call them *satta* gambling and ordinary straightforward gambling on cotton prices. Now, Sir, it is the latter which is really the subject of the resolution. That kind of gambling may be nominally connected with cotton prices, but it has actually nothing to do with the cotton markets. However, references have been made to the need of control of the cotton markets. Regulation and control of the Western India Turf Club and racing have been linked with the need of fuller control of the cotton markets by the East India Cotton Association. I would, Sir, first make it clear that the type of gambling referred to in this resolution has really nothing to do with cotton markets. It is ordinarily related to the opening price of American cotton in Liverpool or sometimes to the number of bales which have been delivered, and no one actually bets on what the opening price will be but on what the last figure of the price will be. For instance, you may have a similar class of gambling in respect of Broach prices in the Bombay Market. If the closing price announced for the day is Rs. 216 then those gentlemen who have backed the number six win, and those who have not, lose. That is entirely different from *satta* operations in the cotton markets. Well, Sir, linked with this is the line of thought that *satta* gambling needs more control. I would make it clear that *satta* gambling may be related to any commodity. There is the *phulka* jute market in Calcutta. The commodity of chief importance in Bombay is cotton. *Satta* gambling is linked with cotton options and with cotton forward contracts. *Satta* gambling means that a man goes into the market and says 'At the price you quote I will take 10 bales Broach, forward delivery next April,' with no intention of ever taking delivery and with no *pucca* business risk to

be hedged with this contract. Now, Sir, that can and does take place regularly in every well controlled commodity market of the world. The dividing line between hedge contracts and *satta* transactions is extremely difficult to decide. You, Sir, have seen and honourable members have seen from time to time that raids have been made upon certain markets in Bombay which are known in fact to deal only in *satta* transactions. Some of them occasionally deliver a bale of cotton, but they do so only to establish evidence that they are dealing in *pucca* transactions. But, Sir, the one point that I am trying to emphasize is that in dealing with *satta* transactions as distinct from the *pucca*, one has to be careful to realize that cotton options may be truly incidental to business requirements or, alternatively, a man may deal in cotton options merely as a gambling transaction. So, Sir, the question is not a simple one."

Summarising the attitude of Government on this question, the Honourable Member pointed out that the type of gambling which was the subject of the above resolution had no real connection with the cotton market or any other commodity market. He thought it was gambling out and out, and in so far as it related to cotton prices, it was necessary that these prices should be published for business purposes. In so far as any additional control was necessary in the market, he stated that if the agricultural interests in the House were satisfied that more control would be in the interests of the agriculturists, Government would give very careful consideration to any Bill which they might bring forward.

The principle of the Bill, however, appeared to have met with the approval of a large section of the House. Government also appeared to have given the matter their earnest consideration and certain suggestions had already been received from the Commissioner of Police to tighten up the existing gambling laws. In addition, the Commissioner of Police also considered it necessary, if the police were to deal with gambling adequately, that the existing law should be amended so that any police officer, on receipt of reliable information that gambling was going on in any house, should be empowered to enter such house without a warrant and arrest the occupants therein, and secondly, the police should have power to oblige the Telephone Company to disclose the names and addresses of all its subscribers and to permit a police officer of and above a certain rank to listen in on any suspicious phones in order to trace betting transactions and places, and having traced the collecting centres of these organizations, such police officers should also have the power, without warrant, to raid and seize all money and lists of names and recorded bets found there. Mr. Surve's resolution was carried when put to vote, but it was indicated by Mr. C. W. A. Turner, on behalf of Government, that a legislation on the lines suggested by the Commissioner of Police would shortly be introduced in the Legislative Council.

STANDARDS FOR EAST AFRICAN COTTON.

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

On page 21 of the Association's Report for 1930, it was indicated that a Special Sub-Committee appointed by the East India Cotton Association to consider the question of fixing standards for East African Cotton were unanimously of the opinion that standards of African cotton representing groups of Kampala, Busoga and Jinja cotton should be prepared under the

direction of the East India Cotton Association. It was also suggested that the following standards prepared under the direction and supervision of a Special Standards Committee be introduced :—

Kampala (including Masaka).—

Fine Kampala,
Fully Good Kampala, and
Good Kampala (the ' Good ' box to be treated as the rejection box for purposes of surveys).

Busoga.—

Fine Busoga,
Fully Good Busoga, and
Good Busoga (the ' Good ' box to be treated as the rejection box for purposes of surveys).

Jinja (including Teso, Lango, Bukedi and Northern Provinces).

Fine Jinja,
Fully Good Jinja,
Good Jinja, and
Fully Good Fair to Good Jinja (the ' Fully Good Fair to Good Jinja ' box to be treated as the rejection box for purposes of surveys).

The Committee of the Association were then of opinion that these standards should be introduced at an early date. It was also considered that the interests of both buyers and sellers demanded that once standards were fixed, they should be of a permanent character. The East India Cotton Association, however, pointed out that it was their intention to prepare new standards for African cotton from year to year, and that the new boxes would be prepared from new crop cotton as exact copies of existing boxes ; in other words, they intended to follow the same procedure as was adopted in the preparation of standards for Indian growths of cotton, viz., to keep the standards uniform " as far as practicable " and not to make them from year to year representative of the average quality of the season. The Committee, however, maintained, that standards once fixed should be of a permanent character, immutable and adhered to for all time and not only " as far as practicable." An assurance in this direction was requested from the East India Cotton Association, who convened an extraordinary general meeting of its members early in January, 1933, to consider the question, but the meeting had to be postponed for want of a quorum.

At the adjourned meeting which was held on 23rd January, no decisions were taken, but Mr. Haridas Madhavdas, the Chairman of the meeting, in winding up the debate, was understood to have said that, until they gained further experience, the question of fixing permanent standards could not be solved satisfactorily. He also stated that, in order to appreciate the correct view point, it was necessary to make it clear that in preparing standards from year to year, the Standards Committee were not revising the previous years' standards, but were simply copying the same after taking into account the deterioration in the standards owing to climatic conditions,

and pointed out that the general view of the meeting appeared to be in favour of this practice being continued for the moment. Tests on samples of fair average quality of A. R. Kampala, A. R. Busoga, A. R. Jinja were, however, carried on from time to time, at the Technological Laboratory, Matunga, for the purpose of determining the staple lengths of these cottons.

Early in August, the Committee of the Association were informed that the Special Standards Committee of the East India Cotton Association had recommended "that steps be taken to abolish the distinction between the several varieties of African cotton traded in in the market, and that one range of East African Cotton Standards should be adopted against which all the present varieties may be tendered," and were requested to express an opinion thereon.

The above proposals which had already been circulated to the Special Appeal Committee of the East India Cotton Association had elicited conflicting views. It was held, for instance, that the abolition of the distinction between the several varieties of East African cotton and the adoption of one range of East African Cotton Standards, against which all varieties might be tendered, would be a retrograde step for the following reasons:—

- (a) Such a step would be unlikely to be acceptable to consumers of Africans who would, in practice, refuse to buy what would amount to a "Sellers selection" between the four varieties. If they did buy on the suggested basis they would make their price the price of what they considered to be the lowest of the variety. In this way the African forward contract would be devalued—to the detriment of the basis for staple Indian styles.
- (b) In seasons where there was a marked difference in grade, one of two things would happen:—
 - Either* the African Standards would have to be lowered and the forward contract devalued accordingly;
 - Or* the majority of the crop of the lower grade variety would be a rejection against these Standards.
- (c) Over a number of years it had been shown in practice that there *was* a difference in grade, character, style and value between the various varieties, and arbitrary action, such as that proposed, would appear to imply a denial of this difference.
- (d) The existing range of Standards and the existing system of trading in Africans appeared to meet the needs of buyers and sellers, and change unless founded upon very good reason, was to be deprecated.

On the other hand, it was urged that it was entirely wrong to judge cotton on geographical distinction and not on its actual merits.

On a careful examination of the question, the Committee of the Association agreed with the recommendation of the Standards Committee *provided* boxes representing all the important grades of African cotton were established by the East India Cotton Association. The Committee considered that it would be incorrect to judge cotton on geographical distinction, and were of opinion that the consumers' interests should be adequately safeguarded if a range of not less than, say, 6 grades covering as many varieties of African cotton as possible were prepared and maintained by the East India Cotton Association.

However, the Association was informed towards the end of October, that, in view of the sharp conflict of views which prevailed on this issue, the Board of the East India Cotton Association had decided that consideration of the same should be postponed *sine die*. (*Appendix 26.*)

FIXATION OF STAPLE LENGTHS FOR EAST AFRICAN COTTON.

(*See also pages 39 and 160 of Report for 1933 and pages 49 and 245 of Report for 1934.*)

In the 1933 report of the Association, reference was made to a proposal made by the Special Appeal Committee of the East India Cotton Association for the fixation of a minimum staple length of $1\frac{1}{32}$ " for A. R. Kampala, Busoga and Jinja cottons, as a tentative measure. The Committee of the Association then held that the proposed minimum staple length was too low, and were strongly of the opinion that, in the interests of the trade, and to prevent any deterioration in the value of recognized styles of African cotton, the minimum fixed for the time being should not be less than $1\frac{1}{16}$ ". The Association was subsequently invited to furnish the East India Cotton Association with three or four samples of these cottons of fair average quality of the season for the consideration of their Special Appeal Committee along with samples from the trade, and arrangements were accordingly made with member mills using East African cotton. The results of the further fibre tests conducted at the Technological Laboratory, Matunga, on these samples showed that the average value of A. R. Kampala was just over $1\frac{1}{32}$ ", that of A. R. Busoga just under $1\frac{1}{16}$ " while that of A. R. Jinja was midway between these two.

Towards the middle of the year, the position was reviewed by the Special Appeal Committee on African cotton, who, by a majority decided that, as a tentative measure, the minimum staple length of African cotton should be prescribed at $1\frac{1}{16}$ ", as understood by the trade (and which was equivalent to 1.03" to 1.04" as defined by Laboratory tests) subject to provision being made for the preparation of a set of "staple standards" by the East India Cotton Association, representing the various growths tenderable against the African cotton contract, to be made available in the settlement of surveys and appeals for the purpose of feeling and testing the staple of cotton. They further recommended that, in the event of the Board making provision for "staple standards," account should be taken of

the fact that the laboratory tests showed a little lower staple than the trade estimate, when preparing "staple standards."

The above proposals were not, however, unanimous, and the Special Appeal Committee, therefore, suggested that the views of the Millowners' Association and of all persons engaged in dealings therein, as also of the Director of Agriculture, Uganda, should be invited by the Board on the tentative proposals made by them, in order to enable the Board to reach final conclusions on the question of the prescription of the staple length of African cotton.

On a careful examination of these proposals, the Committee of the Association were in favour of a minimum staple length of 1-1/16" for A. R. Busoga, A. R. Jinja and A. R. Kampala, *not* as understood by the trade, but according to the universal standards, for, in their opinion, anything less than 1-1/16" universal would not adequately protect the buyer of these varieties of cotton. The Committee were inclined to the view that, with a view to preserve the reputation of these growths, a higher staple length might be necessary, but it was understood that the arrangement proposed was only of a tentative character, and that the Board of the East India Cotton Association would shortly investigate the question on receipt of certain particulars from the Director of Agriculture, Uganda. (*Appendix 27.*)

MUCCADUM AND BROKERAGE ALLOWANCES—BYE-LAWS OF THE EAST INDIA COTTON ASSOCIATION.

The Bombay Cotton Contracts Act Committee of 1930 stated in their Report "that the Muccadam's allowance of 8 annas a bale, which, by long continued practice, is payable by the seller to the buyer both in forward and in ready transactions should be discontinued and that bye-laws should be framed to effect this."

The bye-laws of the East India Cotton Association were amended early in the year to give effect to the above recommendation. The amendments were approved by Government early in May. The Committee were, however, informed that despite the introduction of the new bye-laws, business was being done in certain cases on terms which differed from the new bye-laws of the East India Cotton Association-regarding muccadamage and discounts. The position was, therefore, considered at a special meeting of the Committee held towards the end of the month and, on the motion of the Chairman, the following resolution was passed :—

"That all mills be recommended to do cotton contract business on the new terms, viz., no muccadamage and $\frac{1}{4}$ per cent. brokerage and that an instruction to that effect be conveyed to all member-mills."

The above resolution was conveyed to all Bombay members.

FUMIGATION OF AMERICAN COTTON.

(See pages 44 and 231 of Report for 1934.)

Reference was made in the Report for 1934 to certain reductions effected by Government in the charges for fumigation of American cotton imported into Bombay.

Towards the end of September, the following notice issued by the Manager, Bombay Port Trust Docks, explaining the rules in force for the fumigation of samples of American cotton was forwarded to all members for information :—

“As importers of American cotton do not appear to be conversant with the rules relating to the fumigation of American cotton with resultant inconvenience and delay to the work of fumigation, and occasional extra expense to themselves, I beg to recapitulate for their guidance the rules at present in force :—

- (1) Advance notice of the shipment of the samples of not less than 14 days before vessels' arrival must be given to the Docks Manager, or if the samples have been loaded at Port Said or at a European port the ordinary length of voyage from which is less, then at least 10 days must be given.

Note.—Failure to observe this rule renders the Importer liable to the penalty for short notice prescribed in the Rules.

- (2) Samples of American cotton imported by parcel post or as ships' parcels not exceeding 20 lbs. each in weight, may be fumigated at the Customs House free of charge. It is the duty of the Importer to take direct delivery of such samples ex-ship and remove the same to the fumigation Chamber at the Customs House.

Note.—Failure to effect removal will result in such samples being discharged into a fumigation barge for fumigation at the Docks fumigation wharf, in which case the ordinary charges and penalties prescribed for square and round bales will be applicable.

- (3) Samples of American cotton exceeding 20 lbs. in weight each are treated as round bales and will be discharged into a fumigation barge for fumigation by the Docks plant at the rates prescribed for round bales.

The breaking of such samples into bundles weighing under 20 lbs. each is not permissible.

- (4) Advices should clearly specify the weight and number of samples as this Department cannot waive recovery of fumigation charges if samples of less than 20 lbs. in weight are conveyed by barge for fumigation owing to inadequate description being furnished.”

DUTIES ON BRITISH PIECEGOODS AND YARN.

(See also pages 62 and 216 of Report for 1933.)

On page 62 of the Association's Report for 1933, reference was made to certain unofficial discussions which took place towards the latter half of

that year between representatives of the Indian and United Kingdom Cotton Textile Industries, which eventually led to an agreement between the Association and the United Kingdom Textile Delegation. This agreement stated :—

“ This understanding is limited in its duration to the period ending on 31st December 1935.”

In moving that the Indian Tariff (Textile Protection) Amendment Bill, 1934, which sought to give statutory effect to the provisions of this understanding, be referred to a Select Committee, the Honourable Sir Joseph Bhore, then Commerce Member, stated :—

“ The tariff rates on British goods will remain in force for two years in accordance with the terms of the Agreement between the Lancashire Delegation and the Millowners' Association, Bombay, that is, the present rate of 25 per cent. *ad valorem* or 4½ annas per lb. on plain grey goods and 25 per cent. *ad valorem* on other goods will, during this period, continue until the second surcharge comes off as a general measure. If and when this happens, the duty will be reduced to 20 per cent. *ad valorem* or 3½ annas a lb. on plain grey goods and 20 per cent. *ad valorem* on other goods. On the expiry of the two years covered by the agreement, the duty on British goods for the remaining period of protection will have to be decided on a review of the conditions then existing and in the light of such experience as may have been gained.”

Clause 2 of Article 3 of the Indo-British Trade Agreement which was signed on the 9th January 1935, stated :—

“ The Government of India further undertake that the measure of protection to be afforded (to an Indian industry) shall be only so much as, and no more than, will equate prices of imported goods to fair selling prices for similar goods produced in India.”

Article 4 of the same agreement provided :—

“ When the question of the grant of substantive protection to an Indian industry is referred for enquiry to a Tariff Board, the Government of India will afford full opportunity to any industry concerned in the United Kingdom to state its case and to answer the cases presented by the other interested parties.”

In view of the expiry of the agreement between the Association and the United Kingdom Textile Delegation towards the end of the year, and the necessity of introducing, in the course of the 1936 Budget session, legislation to give effect to any changes in the duties which might be found necessary, the Government of India decided, early in September, that the enquiry foreshadowed in Sir Joseph Bhore's speech should take place at an early date and that it should be entrusted to a Special Tariff Board constituted as follows :—

President.

Sir Alexander Murray, Kt., C.B.E.

Members.

Mr. Fazal Ibrahim Rahimtoola,
Dewan Bahadur A. Ramaswamy Mudaliar.

The terms of reference to the Board were “ to recommend on a review of present conditions and in the light of the experience of the effectiveness of

the existing duties, the level of the duties necessary to afford adequate protection to the Indian Cotton Textile Industry against imports from the United Kingdom of (a) cotton piecegoods, (b) cotton yarn, (c) fabrics of artificial silk and (d) mixture fabrics of cotton and artificial silk." By adequate protection was meant "duties which will equate the prices of imported goods to the fair selling prices for similar goods produced in India." The Board were directed to give a full opportunity to the Cotton Textile Industry, whether in India or in the United Kingdom, to present its case, and if necessary to answer the cases presented by other interested parties. They were, however, not required to make any recommendations in respect of revenue duties.

A month or so before the appointment of the Board, in anticipation of the proposed enquiry, a Special Sub-Committee of experts analysed in their respective mills a collection of representative lines of United Kingdom cloths regularly imported into the country. From the results obtained a standard specification for each of these cloths was drawn up. The actual cloths were then examined to determine the quality and type of cotton to be used in order to ensure an exact reproduction of the United Kingdom sort costed, and the price to be paid for such cotton was also fixed on the basis of the price of cotton obtaining at the end of June, which approximately represented the period when goods marketed in India in August, i.e., the latest month for which wholesale market prices of United Kingdom lines were then available, would have been produced. Mills were then instructed to take out their costings on the basis of the specifications drawn up by the Sub-Committee. To the bare costs as ascertained were added appropriate amounts by way of profit, depreciation and interest on working capital which had previously been estimated on a per loom and spindle per day basis, with a view to arriving at the fair selling prices. The results thus obtained were subsequently compared with the wholesale market prices for the particular United Kingdom sorts so as to estimate the measure of protection required by the Indian Industry against United Kingdom competition.

Towards the middle of October, the Board issued their questionnaire calling for detailed information in regard to the principal lines of goods imported from the United Kingdom, which competed, directly or indirectly, with goods produced in Indian mills, the Indian lines against which they competed, the landed prices of the United Kingdom imports, cost data per unit of the Indian article, annual works expenditure of Indian mills submitting costs data, etc., in order to enable them to gauge accurately the efficacy of the existing levels of duty on United Kingdom goods. This was followed up by a communication from the Association to all member mills asking for such information as concerned individual mills. In addition, samples and price data were also called for in respect of (a) such lines as were being manufactured by individual mills which competed with United Kingdom lines, (b) lines the manufacture of which had to be discontinued owing to competition from United Kingdom goods, and (c) lines the manufacture of which could not be attempted owing to the low rates at which similar United Kingdom goods were selling in the market, and which could not, therefore, be produced otherwise than at a loss.

The material collected was carefully scrutinized by a Sub-Committee specially appointed for the purpose of drafting the Association's replies to the questionnaire issued by the Board. The Sub-Committee felt that the information specifically asked for by the Board in their questionnaire did not serve to bring before the Board certain aspects of the problem of protection, nor did it give the Association adequate opportunity to state its case in regard to the level of duties necessary to equate prices in accordance with the terms of reference. These considerations were, therefore, set forth in a Supplementary Statement in which, after pointing out the difficulty of estimating the effectiveness of the existing duties owing to the interplay of Japanese and Chinese competition and the comparative shortness of the period during which they had been in operation, it was contended that the duty requirements against the United Kingdom could not be based solely on a comparison of the prices of directly competitive lines and that the governing factor must be the necessity of ensuring the progressive development of the Indian Industry along lines indicated by previous Tariff Boards. On this basis, it was submitted that the existing rates of duty should be maintained on cotton cloths manufactured from coarse and medium counts and on artificial silk cloths and artificial silk mixtures, and that in the case of yarns over 40s, printed goods and cloths made from fine count yarns, the facts proved the inadequacy of the existing duties. In order to develop the export markets for the hand and power loom industries, it was suggested that Government should grant a refund on exports of cloth and yarn of a sum equivalent to the duties paid on imported cotton, dyestuffs, machinery, mill stores and sizing materials and appoint Trade Commissioners as recommended by the 1928 Trade Mission. In view of the very serious potential danger to the Industry from imports of textiles manufactured from or containing a proportion of Staple Fibre, it was further urged that the duty on staple fibre should either be entirely removed, or reduced to the level of the import duty on raw cotton.

The draft answers to the questionnaire and the Supplementary Statement framed by the Sub-Committee, were subsequently approved by the Committee, and submitted to the Tariff Board as embodying the views of the Millowners' Associations of Bombay and Bengal, and the millowner members of the Upper India Chamber of Commerce, as well as of a large section of the Industry in other parts of India. A further Sub-Committee consisting of :—

Sir Joseph Kay, Kt.,
 Mr. V. N. Chandavarkar,
 Sir Hormasji Mody, K.B.E., M.L.A.,
 Mr. S. D. Saklatvala,
 Mr. F. Stones, O.B.E., and
 Mr. Dharamsey Mulraj Khatau

was also appointed to tender oral evidence on behalf of the Association.

The Board subsequently furnished the Association with copies of the cases presented by the United Kingdom Textile Delegation and by various chambers of commerce in India, and invited the Association's comments thereon. These were carefully considered by the Sub-Committee, and notes

indicating the general views of the Association on the points advanced by these bodies were drawn up and submitted to the Board. The examination of these cases necessitated the detailed analyses by the Technical Experts of the Association of nearly 300 samples of competitive United Kingdom and Indian lines furnished to the Board, and the correction in several instances of the price data and constructional particulars supplied by these organizations.

The Board commenced their oral examination of witnesses towards the middle of December. After examining representatives of the United Kingdom Delegation, the Southern India Spinning Mills, the Bengal, Madras and Bombay Chambers of Commerce, and the Association, the Board proceeded to Ahmedabad to record the evidence of the Ahmedabad Mill-owners' Association. The Association's representatives were subsequently examined 'in camera' and the Board then proceeded to Calcutta to frame their Report, which, it is understood, will be published early in 1936.

PROTECTION TO THE INDIAN WOOLLEN MILL INDUSTRY :
TARIFF BOARD ENQUIRY,

(See page 75 of Association's Report for 1934.)

In the last report of the Association, reference was made to the representation submitted to the Tariff Board on behalf of certain woollen mill members of the Association. The oral evidence of representatives of woollen mills and other interests was recorded early in March and it was understood that the Board framed their conclusions and submitted their report towards the middle of the year.

In their report which was published early in January 1936, the Board recommended that the woollen mill industry should be divided into two sections—the woollen and the worsted. Taking woollens first, they proposed that woollen blankets should be separately classified in the customs schedule. They defined a woollen blanket as one containing not less than 25 per cent. wool and recommended that a specific duty of 4 annas a lb., combined with an *ad valorem* duty of 25 per cent. should be imposed on all woollen blankets. They further proposed a minimum duty of Re. 1 per blanket in order to protect the handloom industry and the lowest class of mill blanket against the importation of very light rugs made of shoddy and mixed materials.

In regard to other fabrics, the Board found that protection was required against shoddy materials from Italy and other countries. They recommended that shoddy goods should no longer be excluded from the classification of woollen piecegoods, and proposed a specific duty of Re. 1 a lb., with an alternative *ad valorem* duty of 35 per cent. on piecegoods classed as woollens.

In the worsted section of the industry, they found that protection was chiefly required against Japanese goods, and that the *ad valorem* duty required to protect the industry against Japan amounted to 77 per cent., a figure,

which in their opinion, was far greater than that required against other countries, the currency of which had not depreciated. They further suggested that if it be feasible under the Trade Conventions, the protective duty should be fixed at 40 per cent. and be coupled with an exchange compensation duty. In this connection, however, the Board drew pointed attention to the fact that it was certain that for as long a period as could be foreseen, worsted manufacture would be mainly dependent on foreign supplies for its raw materials; nevertheless, they were not disposed to stress unduly the failure to meet this condition, for the worsted industry of all the chief competing countries was in exactly the same position and the ancient worsted industry of India had been forced by the competition of a better wool to go abroad for its supplies.

As regards yarns, the Board was unable to recommend protection of Indian yarns on the following grounds:—

- (a) Indian mills had been hitherto unable to meet the demand of subsidiary industries.
- (b) There was really no spinning industry in India which could satisfy the conditions of the Fiscal Commission; and
- (c) The handloom industry and small scale industries and the hosiery industry required cheap yarns in order to safeguard their existence.

As regards mixtures, the Board considered that the customs returns should continue to record the import of mixtures, and recommended that mixtures which came under the classification of "woollens" should be subjected to the same specific duty or *ad valorem* duty as pure woollens, and that worsted mixtures should be liable to a similar *ad valorem* duty as pure worsted goods.

As regards imports from the United Kingdom, the Board held that under none of the above categories was protection required by the Indian industry to an extent greater than could be covered by the existing revenue duty and that accordingly preferences might be given to imports from the United Kingdom without harm to the interests of the Indian industry. They suggested that 25 per cent *ad valorem* duty might, therefore, be retained on woollen and worsted piecegoods and hosiery and a preference extended to blankets and rugs.

The Board also found that the present revenue duty of 35 per cent. was sufficient to protect the Indian woollen hosiery industry if the duty on yarn be not raised, and recommended that the protective duty be fixed at Rs. 1-2-0 per lb. (necessary to cover socks and stockings) and at 35 per cent. *ad valorem*, whichever duty be higher.

The Board then proposed that clearer cloth and sizing flannel should no longer have the reduced preferential duty given to mill stores, but should henceforth be included among other woollen imports and that belting yarn should be treated as other yarns.

In announcing their decision on the Tariff Board's report, the Government of India agreed with the Board that the claims of the woollen and worsted sections of the industry should be separately dealt with. As regards the worsted industry, Government held that, if it was true that for so long a period as could be foreseen, worsted manufacture would be mainly dependent on foreign supplies, the worsted branch of the industry, already handicapped by the comparative smallness of its home market, completely failed to satisfy the first and most important condition precedent to the grant of protection. The claim for protection was, therefore, held to have failed.

As regards the woollen industry, Government were unable to agree with the Tariff Board that the case for protection in general and the estimation of the quantum of protection in particular, could be properly determined in the absence of evidence from a section of the industry representing at least 50 per cent. of its production. Government were of the opinion that whatever might be the natural advantages of the woollen industry, the suppression of all facts relating to the comparative efficiency of its most important units precluded any findings in regard to the fulfilment of the second and third conditions of the Fiscal Commission, and equally vitiated any calculation of the degree of protection necessary in order to equate import prices to the fair selling prices of the average efficient mill. The Government of India, therefore, reluctantly decided that on the evidence which had been produced, it could not be held that a claim for protection of the woollen branch of the industry had been established. Government realised, however, that the defects in the case for protection were not necessarily irremediable and proposed to refer it back to the Tariff Board in order that those interests which had not yet thought fit to give evidence might have another opportunity to substantiate a case which would otherwise go by default. Although Government rejected for the time being, at any rate, the claim of the woollen mills, they appeared to be impressed with the recommendations of the Tariff Board in regard to the handloom and small scale industries. They agreed with the Board that the cottage industry would derive more benefit from technical advice and assistance in marketing arrangements than by the imposition of protective duties, which in their opinion, would not in themselves provide any incentive towards improvement without which the continued survival of the small scale industry was problematical. The Government of India, therefore, decided, subject to the vote of the Legislative Assembly, to make a grant of Rs. 5,00,000 spread over five years for the benefit of the cottage and small scale industries. It was intended that this grant should be administered in the same manner as the similar grant for the silk industry, and applied for the benefit of those provinces in which there is a substantial cottage and small scale industry.

The Government of India did not propose to take any decision in regard to the woollen hosiery industry, pending a consideration of the further report of the Tariff Board on the claims of the main woollen industry.

The report of the Tariff Board and Government's decision thereon are, at the time of writing, being examined by the Committee of the Association in consultation with the woollen mill members of the Association.

PROTECTION TO THE SERICULTURE INDUSTRY.

Towards the middle of April, the Mysore Chamber of Commerce drew the attention of the Committee to a representation submitted by them to the Government of India on the inadequacy of protection to the Indian Silk Industry, and requested the Association's support.

The Committee sympathised with the Sericulture Industry in its difficulties, but they were unable to support the case submitted, which included a demand for the imposition of prohibitive duties on artificial silk yarn. They were, however, prepared to support a case for more adequate import duties on artificial silk piecegoods and artificial silk mixtures. The Committee were also inclined to the view that, no matter what the duties were upon artificial silk, it would eventually displace natural silk in a very large variety of fabrics, and that if this view point was correct, the use of artificial silk yarn should be encouraged rather than discouraged by handloom weavers. In Japan and China—particularly in the former country—weavers who previously used nothing but natural silk had recently turned over to artificial silk with great success, and the Committee thought that a similar policy in India would produce the same results. A reply was accordingly sent to the Mysore Chamber of Commerce. (*Appendix 28.*)

IMPORT DUTIES ON FENTS.

(*See pages 72 and 273 of Report for 1934.*)

In the last issue of the annual report, reference was made to a case for an increase in the duty on foreign fents to 50 per cent. submitted by the Association to the Government of India. The matter was further examined by the Committee early in April when a further letter was addressed to Government. It was pointed out that between May 1934, when the duty on fents was reduced, and January 1935, the total imports of fents from Japan had amounted to 28.44 million yards as against 7 million yards in the corresponding months of the previous year, and there were indications of still heavier imports in the future. In the first 9 months of the year 1934-35, about 1.2 million yards of fents were imported into the Maritime States of Kathiawar, the figures for the years 1932-33 and 1933-34 being only 40,000 yards and 11,057 yards respectively. Here again, the increased importations coincided with the reduction in duty effected from May 1934. Although no information was available in regard to the exact sources of origin of fents imported into the States of Kathiawar, it was reasonable to suppose that a very large proportion was of Japanese origin. In these circumstances, the Committee once again urged the desirability of either including fents in the quota on Japanese piecegoods or increasing the rate of duty to 50 per cent. No official reply was received to this communication, but it was understood that Government required further evidence regarding importation of spurious fents, and accordingly another communication was addressed to Government towards the end of July. It was pointed out in the first instance that Japan's imports of fents had risen from a total of 30,000 yards in 1930 to no less than 25.6 million yards in 1934 and 17.5 million yards in the first five months of

1935. The published figures of Government did not throw any light on the character of the goods imported as fents, but independent enquiries made in the market appeared to suggest that the bulk of these goods were really art. silk piecegoods and art. silk mixtures cut into special lengths varying from 3 to 3½ yards according to the width of the cloth.

Government's attention was drawn to a case of Japanese art. silk fents recently imported into India as fents and purchased by a member of the Association, which contained 294 pieces of one quality of art. silk cloth in four designs in a number of colours. All these pieces were of the same width, and with the exception of 40 pieces measuring 3½ yards each, all were 3 yards in length, and none of the pieces was in any way damaged or faulty.

Speaking on the Indian Tariff (Cotton Textile Industry Protection) Act, 1934, the Honourable Sir Joseph Bhore had assured the Assembly that the lower rate of duty on fents would be applied only to job lots of varying lengths and sizes not exceeding 4 yards, rejected by mills on account of their defective weaving or dyeing or other substantial damage. It had also been indicated that the mere fact that a piece of cloth came in, which was 4 yards in length, by itself would not bring it under the definition of fents. In the face of this definition of the term fents, it was difficult to understand why the particular consignment referred to above was allowed to come in under the lower rate of duty. So far as the Committee were aware, the cloth in question could not by any means be called a damaged piece; on the other hand, the assortment of pieces, packing, etc., suggested a deliberate attempt on the part of importers to get real art. silk piecegoods into India under the lower rate of duty. The Committee were aware that the Customs Authorities, particularly in Bombay, kept a special watch over consignments of fents, but they felt that the existence of a lower rate of duty on fents would be an open invitation to the importers and manufacturers of Japanese goods to take advantage of the situation, and unless every consignment was opened and checked, detection was impossible. Systematic examination of cases supposed to contain fents could hardly be advocated as a permanent and effective measure to counteract the importation of spurious fents, and the Committee, therefore, suggested that the lower rate of duty which was probably the only attraction for this line of business should be altogether removed. On account of their lower prices, *bona fide* fents could stand a higher *ad valorem* duty than at present without serious detriment to the consumer, and it was submitted that the existing lower rate of duty on fents should be substituted by the higher duties applicable to cotton and art. silk piecegoods, according as the cloth in question was made of cotton or art. silk. As regards union fabrics, it was suggested that the rate of duty should be the rate applicable to art. silk piecegoods.

While this solution appeared to be the ideal one, the Committee thought that it might lead to similar results if the definition of the term fents was slightly altered. From an examination of the art. silk fents at present imported, it would appear that the advantage which would accrue to the Indian Industry by reducing the length of goods imported as fents from 9 to 4 yards had been practically negated by the importation of fents of garment lengths. The 27" and 36" wide art. silk cloths imported from Japan in 3 to 3½ yards

lengths were perfect garment lengths and the Committee submitted that it was worth considering whether a further reduction in the length would not be met by Japanese manufacturers by an increase in the width of the cloth so that one cut piece might, despite any further reduction in the length of the piece, contain the same area of the cloth as in a 3 or 3½ yards piece. In these circumstances, it occurred to the Committee that the basis of assessment of fents might be changed from 4 linear yards to 2 square yards.

The Committee submitted that there existed a very clear case for early and effective action on the part of Government not only on the lines set forth above but also in connection with real art. silk piecegoods on which a very high scale of duty was essential not only from the point of view of the Mill Industry but also of the Handloom Industry. It was pointed out that the volume and price at which both art. silk fents and art silk piecegoods were being imported into and marketed in this country were a serious menace to the fancy trade of Indian mills. From the point of view of the Handloom Industry, the case for very early action was still stronger inasmuch as the handloom weaver would ultimately be forced to take up the production of coarse cotton goods in which competition from Japan was not perhaps so severe, but which would bring him a much less income per day. In all the circumstances of the case, the Committee hoped that it would be possible for Government to take very early action in this matter. It is understood that the question is receiving the most careful consideration of Government. (*Appendix 29.*)

IMPORT DUTY ON SEWING THREAD AND DARNING THREAD.

Towards the middle of July, the Committee were informed that, by a notification issued early in the month, Government had removed the minimum specific duty applicable to sewing thread and darning thread under 50s; in other words, sewing thread and darning thread would henceforth be subject to the *ad valorem* rates of 5 per cent. or 6¼ per cent. according as they were of British or foreign manufacture.

The circumstances which, in the opinion of Government, necessitated the removal of the minimum specific duties on sewing thread and darning thread appeared to be: firstly, that the real value of sewing thread and darning thread was usually so high that only on very rare occasions did the minimum specific duty become applicable; and secondly, that the count applicable to sewing thread and darning thread was not calculated in the same way as that of ordinary cotton yarn, and the notification was, therefore, only intended to remove an administrative difficulty felt in most custom houses, namely, the determination of the count of sewing thread and darning thread without in any way affecting the amount of duty payable on imports thereof.

On a careful examination of these two points, the Committee felt that it was not quite correct to maintain that the real value of sewing thread and darning thread was usually so high that only on very rare occasions did the specific duty become applicable. The minimum specific duty ceased to be effective when the real value per lb. of sewing thread exceeded 25 annas

in the case of United Kingdom manufactures, and 30 annas in the case of foreign manufactures. The bulk of the sewing thread in respect of which the minimum specific duty was hitherto applicable consisted of 2/28s, 2/30s and 2/42s. It was understood that the C. I. F. prices of all these varieties were well below 25 annas and, therefore, the *ad valorem* rate of duty on these threads was always lower than the minimum specific duty.

It further appeared that Japan had recently entered the Indian market in this type of goods, and the C. I. F. prices of Japanese 2/28s, 2/30s and 2/42s sewing threads were much below the corresponding British prices, and the removal of the specific duty would, it was felt, confer a direct advantage to Japan in competing in the Indian market against both Indian mill-made and British sewing threads, as was evident from the following examples :—

	Rs. a. p.
The C. I. F. price of <i>British</i> 2/28s towards the end of July was per lb.	0 13 4
Duty at the minimum specific rate	0 1 3
<hr/>	
Approximate selling price per lb.	0 14 7
<hr/>	
For the same yarn, the duty at present leviable would be 5 per cent. <i>ad valorem</i> , i.e., 8 pies.	
Therefore, total selling price at present	0 13 4
<i>plus</i>	0 0 8
<hr/>	
per lb.	0 14 0
<hr/>	
Advantage accruing to the United Kingdom as a result of the removal of the specific duty = 7 pies.	
Assuming that the price of the corresponding <i>Japanese</i> 2/28s sewing thread was also per lb.	0 13 4
Duty at the minimum specific rate	0 1 10½
<hr/>	
Approximate selling price per lb.	0 15 2½
<hr/>	
For the same yarn, the duty at present leviable would be 6½ per cent. of As. 13-4, i.e., 10 pies.	
Therefore, total selling price	0 13 4
<i>plus</i>	0 0 10
<hr/>	
per lb.	0 14 2
<hr/>	
Therefore the advantage to Japan = per lb.	0 1 0½

A member of the Association, who had recently installed special plant for producing sewing threads, was placing in the market a certain quality of 2/28s, which was comparable to the qualities marketed by Japan and the United Kingdom. The latest price realized by this mill for its 2/28s bleached sewing thread was as. 14-11 ps. per lb. The removal of the minimum specific duty was a serious matter for the firm, since recent advices from the market indicated that the corresponding qualities of Japanese 2/28s sewings were quoted at 12½ annas ex-godown, Bombay.

While it might be difficult to estimate the count of yarns folded or doubled for the purpose of making a sewing thread, the remedy applied by Government was, in the opinion of the Committee, likely to lead to results which, it was felt, Government did not desire to bring about, for, as has been pointed out above, the removal of the specific duty would give an enormous fillip to Japan to the detriment of both Indian and United Kingdom mills.

There was also the possibility of even folded cotton yarns under 50s being imported into this country under the lower *ad valorem* rate of duty applicable to counts over 50s. The Committee felt that it was not difficult to manipulate folded yarn and give it the finish and appearance of sewing thread for the purpose of avoiding the minimum specific duty, and the advantage of about one anna per pound which it would confer on the foreign manufacturer would be sufficient encouragement for him to undertake the process. As a matter of fact, it was reliably understood that dealers of Japanese yarns had already written to the manufacturers asking them to invoice folded yarn as sewing threads.

In these circumstances, the Committee took the matter up with Government. It was pointed out that about 6 million lbs. of grey and bleached folded yarns were being imported into the country annually which would ordinarily be subject to the minimum specific duties. More than 80 per cent. of this quantity came from China and Japan, and if efforts were made to bring them in under the rate of duty applicable to sewing thread, the protection afforded to the spinning section of the Industry would, it was submitted, be considerably diminished. The Committee, therefore, urged that the notification referred to above should be withdrawn and that the minimum specific duty hitherto levied on yarn up to 50s count should be continued on sewing thread and darning thread also. (*Appendix 30.*)

IMPORT DUTY ON SIZING FLANNEL, ROLLER AND CLEARER CLOTH AND BELTING YARN.

(See pages 75 and 308 of Report for 1927.)

Sizing Flannel, Roller and Clearer Cloth and Belting Yarn were, as a result of the recommendations of the Cotton Textile Tariff Board of 1926, placed on the duty-free list by the Government of India on the ground that they were among the important mill stores used by the Cotton Mill Industry. Subsequently, owing to the revenue requirements of the country an import duty of 10 per cent. on Sizing Flannel, Roller Cloth and Clearer Cloth and 6½ per cent. on Belting Yarn was levied in October 1931. Probably, when the 1926 Tariff Board's recommendations were made, these articles were not being manufactured by Indian Mills. The position had, however, changed, and in recent years at least two Indian mills had been able to produce satisfactory qualities of Sizing Flannel, Clearer Cloth and Belting Yarn, but it was understood that fair selling prices had not been obtained for these goods owing to the low rates of duty imposed on the corresponding imported articles. The question was, therefore, brought to the notice of the Woollen Industry Tariff Board, 1934, and in a case submitted on behalf of the Woollen Mill

Industry, it was contended that the Indian industry consuming these products would not be penalised in any way if higher import duties were imposed because internal competition and the wider market opened out to the Indian Woollen Mills would enable them to work their plants more economically and make it possible to quote lower prices than were feasible at the moment.

The Committee of the Association were asked by the Board to express an opinion on the suggestion made by the Woollen Mill Industry, and were also asked to give the Board an idea of the requirements of the Textile Industry in the shape of Sizing Flannel, Roller Cloth, Clearer Cloth and Belting Yarn; the names of mills manufacturing these materials; and whether, in the opinion of the Association, the concession of lower duties at present applicable to these materials as mill stores should be cancelled and the ordinary duties levied, or, whether it was proposed that some lower duties sufficient for the purpose should be imposed.

In this connection, it might be pointed out that early in 1934, the Committee of the Association considered the advisability of submitting a representation to Government suggesting that Roller Cloth, Clearer Cloth and Sizing Flannel, etc., should be treated as "woollen fabrics" and assessed accordingly for purposes of duty. The Indian Woollen Mills, Mahaluxmi, at whose instance the question was considered by the Committee, contended that these cloths imported into India under a 10 per cent. *ad valorem* duty were being used as "woollen piecegoods" for the manufacture of uniforms, or cut, dyed, fringed and sold in India as lohis, thus neutralising to a very great extent the protection granted to the Indian Woollen Mill Industry by the comparatively higher scale of duties on woollen fabrics imposed in December 1933. The 10 per cent. duty applicable to Roller Cloth, Clearer Cloth and Sizing Flannel imposed in 1931 was ostensibly a revenue duty of a temporary nature which might be removed when the finances of the Government of India improved, and it, therefore, followed that the Association's support to the case put forward by the Indian Woollen Mills, would have a two-fold effect; firstly, the duty on Roller Cloth, Clearer Cloth, etc., would be raised from 10 per cent. to 25 per cent. in the case of imports from the United Kingdom and 35 per cent. or Rs. 1-2-0 per lb. in the case of imports from foreign countries; secondly, even after the removal of the emergency duties imposed in 1931, which would mean the entry free of duty, of many items of mill stores, a duty of 25 per cent. or 35 per cent. would be continued to be paid on Roller Cloth and Clearer Cloth imported from abroad. These facts were not disputed by the Indian Woollen Mills, but they urged their case from two points of view: firstly, in view of the Indian Woollen Mill Industry's ability to supply the entire requirements of this country in the shape of Roller Cloth, Clearer Cloth, etc., an immediate increase in the duty on these articles or their continuation even after the removal of the emergency duties would not be felt by the Indian Cotton Industry; secondly, from the point of view of the protection which the adoption of the proposal would confer on the Indian Woollen Mill Industry of the country, whether the Indian Cotton Mill Industry could not concede a point. The matter was discussed in detail by the Committee, and the Indian Woollen Mills were subsequently informed that, in the event of their submitting an application for protection to the Indian Tariff Board, the Association would adopt as

sympathetic an attitude as possible to the case put forward by them on the question of the import duty on Clearer Cloth, Roller Cloth and Sizing Flannel. It was pointed out however that the attitude of the Association would necessarily be affected by the price, quality and suitability of the products turned out by the Indian Woollen Mill Industry. To arrive at definite conclusions on these points, the Committee decided to make a thorough trial of Roller Cloth, Clearer Cloth and Sizing Flannel manufactured in India, and through the good offices of some of the members of the Committee, tests were taken out at one or two mills of the material supplied by the two woollen mill members of the Association, and it appeared that these tests gave satisfactory results.

The reference from the Board was carefully considered by the Committee of the Association and, in consultation with the Woollen Mill members of the Association, the Committee submitted the following observations on the specific questions of the Board :

It was pointed out at the outset that the Indian Woollen Mill Industry did not appear to be manufacturing Roller Cloth in commercial quantities, and, therefore, so far as this cloth was concerned, the application made by the Woollen Mill Industry could not be supported by the Association. With regard to Belting Yarn, the Cotton Textile Industry was not a large user, and questions relating to the effect of an increase in duty in respect of this article should be addressed to industries more directly affected by the increase in the duties asked for by the Woollen Industry.

As regards Sizing Flannel and Clearer Cloth, it appeared from independent enquiries made by the Association that about 29,000 yards of Clearer Cloth and 89,000 yards of Sizing Flannel were consumed per annum by the Indian Cotton Mill Industry, these figures being based on an estimate of 3 yards of Clearer Cloth per 1,000 spindles and 456 yards of Sizing Flannel per 1,000 looms.

The Indian Woollen Mills, Mahaluxmi, appeared to be manufacturing Sizing Flannel and Clearer Cloth in fairly large quantities. The Maharani Woollen Mills, Baroda (under liquidation), were manufacturing Sizing Flannel and Clearer Cloth for about three years until they were closed down, and the Bangalore Woollen Mills were making Sizing Flannel for their own use and for the use of the cotton mills under the same management. The Cawnpore Woollen Mills and the New Egerton Woollen Mills, it was understood, were fully equipped to supply the requirements of the Indian mills in Sizing Flannel and Clearer Cloth, but no information was available as regards the exact extent to which they produced these articles at the moment. The Kaiser-I-Hind Woollen Mills, Bangalore, did not appear to be equipped for the manufacture of Clearer Cloth and Sizing Flannel, and the Raymond Woollen Mills had produced small quantities of Sizing Flannel and Clearer Cloth, chiefly for their own use and for the mills under the agency of Messrs. E. D. Sassoon & Co., Ltd.

As regards the effect of an increase in the duty on Clearer Cloth and Sizing Flannel, the Committee were aware that an increase in the duty as

suggested by the Woollen Mill Industry would undoubtedly lead to some increase in the cost of production to the Cotton Mill Industry, but they were prepared, as a gesture of goodwill to a sister industry applying for protection, to waive their opposition to an increase in the duty on these articles provided that the new duties imposed did not exceed the duties imposed on other classes of pure woollen piecegoods from the same sources and that these protective duties were imposed for a strictly limited period.

In their Report published early in 1936, the Woollen Tariff Board agreed with the Association that, as Roller Cloth was not being manufactured in India in commercial quantities, it should remain subject to the revenue duty only. As regards Sizing Flannel and Clearer Cloth, they recommended that these two items should now be removed from the list of mill stores subject to the reduced duty and included as ordinary woollens for purposes of assessment. As regards Belting Yarns, the Board had no statistics of imports of this material. They found that the manufacture of Belting Yarn from woollen yarn was carried on only by two or three Calcutta firms. One of these firms, which consumed about 300,000 lbs. of yarn per year, used mostly indigenous yarn in the manufacture of hair belting, and while they did not object to an increase in the duty on imported yarn, they claimed that it would be necessary to put on a compensating duty on foreign belting in order to balance the enhanced price of the indigenous yarn they were already using. In these circumstances, the Board saw no special reason for treating Belting Yarn differently from other yarns which on other grounds they had declined to recommend for protection and they, therefore, suggested that the existing revenue duty should be retained. (*Appendix 31.*)

IMPORT DUTY ON DYESTUFFS.

(*See pages 75 and 308 of Report for 1927.*)

In the Report for 1927, reference was made to the removal by Government, on the recommendation of the Tariff Board, of the import duty on a number of mill stores and chemicals, including practically all classes of dyestuffs used in the Cotton Mill Industry. Owing to financial stringency, a duty of 10 per cent. was imposed on these materials in September 1931 as a temporary measure. The duty collected from dyestuffs in the year 1933-34 amounted to Rs. 23.64 lakhs against a budget estimate of Rs. 20 lakhs; in the first nine months of 1934-35, it amounted to Rs. 24.74 lakhs against a budget estimate for the whole year of about Rs. 24 lakhs; and for the full financial year 1934-35, it was estimated that the duty on dyestuffs would yield a sum not less than Rs. 30 lakhs. The increase in revenue from the duty on dyes was largely due to the fact that Indian mills had, during the last few years, been rapidly increasing their consumption of superior fast to bleaching dyestuffs. In these circumstances, there appeared to be every justification for an immediate reduction in the duty, more especially in view of the fact that the original revenue anticipations of Government from this duty would be exceeded even if the duty was immediately reduced to 7½ per cent. While therefore a reduction in the duties would not jeopardize the finances of the country, it would be

of considerable benefit to the Industry. The matter was taken up by the Committee with the Government of India, but so far Government have not announced their decisions. (*Appendix 32.*)

IMPORT DUTY ON SODIUM HYDROSULPHITE.

On the recommendation of the Tariff Board of 1926-27, the Government of India removed the import duty on several mill stores, dyes and chemicals. Government then indicated, so far as dyes were concerned, that they had endeavoured to word the definition of the dyes to be exempted from duty in such a way as to cover all coal tar derivatives used in dyeing. In this connection, Government were apparently guided by the statement made by the Tariff Board "that it is unnecessary to do more than grant the concession to those stores which are used on an appreciable scale." At that time, fast dyes were not being used so freely as at present. Moreover, the sodium hydrosulphite then being imported was mainly utilized as a bleaching agent in preference to bleaching powder over which it had certain advantages when very fine goods were being dealt with, and the total imports of this article did not appear to exceed 400 tons per annum, out of which 200 tons were used for bleaching purposes and the balance for vat dyeing.

In 1927, sodium hydrosulphite was assessed at the rate of 15 per cent. *ad valorem*, being classed for duty purposes under the head "Chemicals, Drugs and Medicines, all sorts, not otherwise specified." In March 1931, the duty on chemicals was raised to 20 per cent. and in September 1931, to 25 per cent. With the advent of the differential duties following the Ottawa Agreement, the duty was again revised, and was fixed at 20 per cent. *ad valorem* in the case of imports from the United Kingdom and 30 per cent. *ad valorem* in the case of imports from foreign countries. Since 1st January 1934, a tariff valuation had been fixed for sodium hydrosulphite, and the position, therefore, as it affected the Cotton Industry of the country, was that a very important item of mill stores which, had it been used in large quantities in 1927, would have been admitted free of duty, was paying duty at the high rates of 20 per cent. or 30 per cent. according to the sources from which it was imported. Sodium hydrosulphite is a very important reducing agent, which must be used with a very large range of vat dyes in the process of dyeing fast to bleaching colours. There had been a very considerable development in the use of the superior class of dye stuffs during the last few years with the result that the Indian Cotton Mill Industry's consumption of sodium hydrosulphite had grown enormously. In these circumstances, the Committee took up the matter with the Government of India. It was pointed out that a very strong case existed for the total remission of the duties, but that if that was not possible owing to the undertakings given by the Government of India to His Majesty's Government in the United Kingdom under the Ottawa Agreement, the duty on imports from the United Kingdom might be removed and the duty in the case of foreign imports might be reduced to 10 per cent. *ad valorem*. It was thought that the revenue which the Government of India would have to sacrifice would, in any event, not exceed 2 lakhs of rupees.

Although the case made out by the Association was supported by a number of representative bodies in other centres of the Industry, no action has yet been taken by Government, but the tariff values fixed by Government at the end of the year for the purpose of assessment of customs duties during the ensuing year provided for a reduction in the valuation placed on sodium hydrosulphite from Rs. 42 to Rs. 31 per cwt. (*Appendix 33.*)

IMPORT DUTY ON AUTOMATIC WEAVERS' KNOTTERS.

Towards the middle of August, the attention of the Committee was drawn by an up-country member mill to the question of the import duty levied on automatic weavers' knotters used in conjunction with Leeson's Universal Cone Winders No. 50. It would appear that the firm in question had from time to time during the past five years imported this type of knotters on payment of duty at the rate of 10 per cent. *ad valorem*. In the case of two recent consignments, however, they had to pay duty at the rate of 20 per cent. *ad valorem*. On a reference to higher authorities, it transpired that the assessments were correctly made under Item No. 77.—“Instruments, apparatus and appliances other than electrical, all sorts, not otherwise specified, including photographic, scientific, philosophical and surgical”; and that the previous assessments at 10 per cent. were made in error. The firm considered that Item No. 72 (1), “Textile Machinery and Apparatus, by whatever power operated,” fully covered these knotters and requested the views of the Association in the matter.

The Committee felt that the knotters in question were essential for the working of power operated cone winding machinery, and were not capable of being used for any other purpose. It appeared, that, in view of the saving in time and labour accruing from their use, these knotters were becoming increasingly popular in the Indian Textile Industry. The matter was, therefore, taken up by the Committee with the Government of India, and in a representation submitted towards the middle of September, it was pointed out that the omission of automatic weavers' knotters from the list of duty-free textile machinery and mill stores framed by the Government of India following on the publication of the Report of the Noyce Committee in 1927, was probably due to the fact that they were not then as widely used as they were at the moment. Under these circumstances, the Committee maintained that the article in question should, for purposes of assessment, be classified under Item 72 (1), and assessed at the rate of 10 per cent. *ad valorem* only. The suggestion was accepted by Government and in a notification issued by Government early in 1936, the duty on automatic weavers' knotters was reduced to 10 per cent. *ad valorem*. (*Appendix 34.*)

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

(*See pages 76 and 276 of Report for 1934.*)

In the last report of the Association, reference was made to the views expressed by the Association on an application made by Messrs. H. M. Patel

& Co. to the Tariff Board for the removal of tariff inequality between imported shuttles and the wooden blocks required for their manufacture in India.

The Board found on careful investigation that, so far as shuttles from the United Kingdom and foreign countries other than Japan were concerned, there was no case for the removal of tariff inequality as the duty paid on such shuttles was higher than, or equal to, the duty paid on the materials required for their manufacture in India. As regards Japanese shuttles, the Board held that "until evidence is forthcoming that the Japanese power loom shuttle has improved and can compete with the other imported shuttles," there was no reason for adopting Japanese prices as the basis for computing the relative incidence of the duty. The value of shuttles imported from Japan had increased from Rs. 2,000 in 1929-30 to Rs. 50,000 in 1933-34, but this, the Board pointed out, was partly due to trial orders arising from the low and attractive prices at which they were offered, and held that there was very little prospect of the Japanese power shuttle competing successfully with other shuttles made of tougher wood. Japanese competition, they thought, "is at present not much more than a fear of the future," but recommended that the situation should be watched.

In a resolution issued simultaneously with the publication of the Board's report, the Government of India indicated that they entirely agreed with the findings of the Board.

HEALDS AND REEDS MANUFACTURING INDUSTRY.

(See pages 79 and 279 of Report for 1934.)

In the last issue of the Association's report, reference was made to the views expressed by the Committee in connection with the case for the removal of tariff inequality submitted to the Tariff Board by the manufacturers of healds and reeds in India. The Board's report was published towards the end of March. They found that, so far as healds were concerned, the duty on materials, yarn and varnish paid by Indian manufacturers exceeded the duty on imported healds, and recommended that, if it was decided to grant relief to the industry by increasing the duty on imported healds, the duty should be fixed at 15.88 per cent. The Board, however, assumed that the yarn required for the manufacture of healds in India was imported from the United Kingdom and paid a duty of 25 per cent. *ad valorem*.

As regards reeds, the Board estimated that the duty on materials, wire, pitch, ribs and other materials including paper paid by the Indian industry exceeded the duty on the finished product, and recommended that if it was decided to grant relief to the industry by increasing the duty on imported reeds, the duty should be fixed at about 13.11 per cent. In conclusion, the Board proposed that the duty on both healds and reeds should be fixed at 15 per cent. *ad valorem*, and suggested that these articles which

were included in the Tariff under item 97/59A should be separated out into a new item as below :—

“The following textile machinery and apparatus, by whatever power operated, namely, healds and reeds.....15 per cent. *ad valorem*.”

The Board considered that the materials used in the manufacture of healds and reeds being so numerous, the increase in the duty on imported healds and reeds was a very practicable method of granting relief. They also estimated on a rough calculation that the average increase in cost which would follow on an increase in the duties as suggested by them over the Indian Cotton Textile Industry would be negligible.

Government were, however, unable to accept the Board's recommendations, and in a *Press Communique* issued towards the end of March, they pointed out :—

“In respect of healds, the Government of India are not convinced that any tariff inequality exists. The calculations of the Tariff Board are based on the assumption that imported yarn is used for the manufacture of healds, but from the evidence led by two of the applicant companies it appears that suitable yarn can be supplied by Indian mills, on which, though it is manufactured from imported cotton, the incidence of duty charges is considerably lower than that on imported yarn. The representations of the firms interested in the manufacture of healds appear to the Government of India to be directed not so much towards the removal of a tariff inequality as to secure a measure of substantive protection. The claim of the industry to the grant of substantive protection was not an issue which came under the consideration of the Tariff Board, and the Government of India are unable to offer any opinion as to whether such a claim has been established. On the evidence before them, however, they find it impossible to accept the Tariff Board's recommendation that the duty on healds should be raised from 10 per cent. to 15 per cent. *ad valorem*.”

Similarly in the case of reeds, the Government of India are of opinion that the representations of the concerned industries constitute a claim for substantive protection, and failing the establishment of the validity of such claim after the usual enquiry by the Tariff Board, the Government of India are unable to accept the recommendation for an increase in the Customs duty on imported reeds.”

BOMBAY WEIGHTS AND MEASURES ACT, 1932.

Early in August, the attention of the Committee was invited to certain difficulties arising from the application of the Bombay Weights and Measures Act in cotton mills. As the matter was very urgent, a special Sub-Committee met the Director of Industries early in September, and later submitted a detailed memorandum setting forth the difficulties experienced by mills in conforming to the provisions of the Act.

The first point arose from Section 35 of the Bombay Weights and Measures Act, which reads as under :—

“Whoever in selling any article by weight or measure delivers or causes to be delivered to the purchaser a less weight or measure than is purported to be sold shall, on conviction, be punishable with fine which may extend to rupees three hundred.”

In other words, every piece of cloth in a consignment on which a particular length was stamped should measure at least that length.

Section 12 (1) of the Indian Merchandise Marks Act, 1889, required all piecegoods "such as are ordinarily sold by length or by the piece," which had been manufactured in premises which were "a factory" as defined in the Indian Factories Act, "shall not be removed from those premises without having conspicuously stamped in English numerals on each piece the length thereof in standard yards, or in standard yards and a fraction of such yard according to the real length of the piece." Section 16 of the same Act empowered the Governor-General, *inter alia*, to issue instructions regarding the limits of variation as regards number, quantity, measure, gauge or weight which are to be recognized by Criminal Courts as permissible in the case of any goods. The instructions subsequently issued by Government under the provisions of this section (*vide* notification No. 1474, dated the 13th November 1891, as subsequently amended) laid down that "a trade description of length stamped on grey, white, or coloured cotton piecegoods shall not be deemed to be false in a material respect, unless :—

(a) Where a single length is stamped, the description exceeds the actual length by more than :—

- 4 inches in pieces stamped as 10 yards long and under ;
- 5 inches in pieces stamped as above 10 yards and up to 23 yards long ;
- 7 inches in pieces stamped as above 23 yards and up to 36 yards long ;
- 9 inches in pieces stamped as above 36 yards and up to 47 yards long.

Provided that the average length of the goods in question shall not be less than the stamped length ;

(b) Where a maximum and a minimum length are stamped, the described maximum length is greater than the actual length by more than :—

- 9 inches in piecegoods under 35 yards long ;
- 18 inches in piecegoods 35 yards and up to 47 yards long ;
- 36 inches in piecegoods above 57 yards long :

Provided that no such piece shall measure less than the minimum stamped length."

According to the above notification, no question of prosecuting a manufacturer would arise for stamping "36 yards" on each piece in a bale containing, say, 60 pieces, even if certain pieces were 7" less, *provided* (a) the shortage was made good in other pieces, and (b) the total length of all pieces in the bale was $36 \times 60 = 2,160$ yards, or the average length per piece in the bale was not less than the stamped length, and so far as the Committee were aware, the Cotton Textile Industry had been working up to these provisions, which appeared to be fair and reasonable, both from the point of view of the manufacturer and his customer.

Since the introduction of the Bombay Weights and Measures Act, however, it appeared doubtful whether, so far as the Cotton Textile Industry

was concerned, mills should adhere to the provisions of the Indian Merchandise Marks Act, summarized above, or to Section 35 of the Bombay Weights and Measures Act. It was suggested that the words "notwithstanding anything contained in any law for the time being in force, etc.," contained in Section 12 of the Bombay Weights and Measures Act, implied that the provisions of the Bombay Act of 1932, superseded the provisions of the Indian Merchandise Marks Act, so far as stamping was concerned. The Committee were not sure whether this interpretation was correct, and therefore desired an authoritative expression of opinion from Government on the point.

Assuming, however, that it was correct, then the question arose as to whether, and if so, how far the Cotton Textile Industry could work up to the strict letter of Section 35 of the Bombay Weights and Measures Act. The Bombay Act did not permit of any variation whatsoever between the "stamped" length and the "real" length of the piece, and required every piece to be stamped with its actual length. This, the Committee submitted, would be an impracticable proposition for the following reasons:—

- (a) Cloth is usually folded on folding machines, and the length of each piece is stamped according to the length recorded by the machine, and this might vary by small amounts from piece to piece, and from lengths ascertained by hand measurement.
- (b) The stamping of "actual" length by yard stick measurement of each piece would necessitate the engagement of a special staff, and would mean considerable expenditure to the mills, and, in addition, no two persons would measure the same piece of cloth alike.

Under these circumstances, the Committee were of opinion that even if Government considered that the provisions of the Bombay Weights and Measures Act superseded those of the Indian Merchandise Marks Act, there existed a case for a continuation of the latitude laid down in the instructions issued under the 1889 Act.

Departmental Weights and Measures.—The second point arose from Section 14 (1) of the Bombay Weights and Measures Act, which read as below:—

"No weight or measure shall be used for trade unless it has been verified or re-verified in the prescribed manner and stamped by an Inspector with a stamp of verification under this Act."

The term "trade" used in the above connection included a dealing or a contract, and weights and measures used for all dealings or contracts for any work to be done or goods to be sold or delivered by weight or measure, appeared to be covered by this section. There were certain measures used in mills for purely departmental or administrative purposes. These weights and measures had no direct or indirect connection with any "dealing or

contract" of the mills with third parties, or with the payment of wages to the operatives, and their use, as would be seen from the following examples, was not confined to any particular department or departments.

<i>Department.</i>	<i>Nature of the use of the departmental weights and measures.</i>
Blow-room and Cardroom.	The laps are weighed on a special scale to ensure regularity. The workers in these departments are on a fixed pay basis.
Spinning Department.	Warp and weft yarns are weighed on platform scales for purposes of mill records only. The warp is usually sent to the winding department and weft to the weaving department for subsequent processes. The operatives of the Spinning Department are on a fixed pay basis. In this department certain small scales are also used for testing purposes in order to find out whether the ring frames are producing the correct count of yarn. When the counts being produced do not conform to calculated count, the necessary gearing adjustments are made. This is the sole purpose of the testing process.
Folding Department.	In this department, the cloth received from the calendering department is weighed for mill records only. This weight has nothing to do with the payment of wages to the operatives either in this department or in any other department.
Dyeing Department and Store House.	Various scales and measures are used for the purpose of issuing stores like lubricating oils, flour, starch and other sizing, bleaching and dyeing materials to departments. Such scales and measures merely serve to assist mills in keeping a check of their stores' consumption.

The above was by no means an exhaustive list, but, it served to illustrate the purposes served by the various departmental weights and measures. The extension of the Bombay Weights and Measures Act to such weights and measures would necessitate their verification and stamping, and in view of the considerable numbers of such weights and measures employed in mills, the expenditure involved would necessitate a considerable outlay without any compensating benefits. Under these circumstances, it was strongly felt that Government should issue orders for exempting interdepartmental weights and measures from stamping and verification, The Committee appreciated Government's desire for satisfactory safeguards to ensure that weights and measures exempted from the provisions of the Act were not subsequently used for trade purposes, but did not anticipate any difficulties in this connection, and proposed, in the event of an exemption being forthcoming from Government in respect of such weights and measures, to issue instructions to all mills to assist the Inspectors in identifying all departmental weights and measures.

Remuneration of Labour.—The next point arose from Section 12 of the Act. There were certain departments in the mills like the inter, slubbing, roving and reeling departments where the operatives were remunerated on a piecework system, on the basis of so many pies per hank. In the weaving

department, operatives were paid on nominal weight of cloth. In the bundling and baling departments, the remuneration in certain instances was on the basis of so many annas per bale. An expression of Government's opinion as to whether these forms of remuneration would be legal under the Bombay Weights and Measures Act, was also requested. As regards the payment of weavers, it was pointed out that the "nominal" weight of the cloth was practically the weight of the yarn contained in the cloth, which could be easily estimated. The nominal weight was less than the "real" weight of the cloth which came out from the loom, for, before going to the loom, a certain amount of size was put on the warp to facilitate weaving. The amount of size put in varied in different cloths; for example, a cloth which was to be sold in the grey state might be heavily sized whereas the same cloth if it was to be bleached or dyed in the mill, would contain practically no size at all, with the result that two pieces of cloth of similar construction would show different "real" weights when they came out of the loom. Under the circumstances, payment by "real" weight would give higher earnings to an operative producing grey cloth for sale, and lesser earnings to an operative who produced the same number of pieces of the cloth for bleaching or dyeing purposes. Apart from this anomaly, the existing basis of payment had been in existence for several years, and any radical departure therefrom would lead to a considerable amount of disorganization in the industry and discontent among labour. The Committee, therefore, maintained that so far as the Cotton Textile Industry was concerned, the present practice of wage calculation should continue to be legal under the Act.

It is understood that the points raised by the Committee are still under consideration by Government. (*Appendix 35.*)

PROPOSED AMENDMENT OF THE INDIAN MERCHANDISE MARKS ACT.

(*See pages 60 and 283 of Report for 1928.*)

Towards the end of June, the attention of the Association was drawn to a representation addressed by the Indian Chamber of Commerce, Calcutta, to the Government of India in connection with certain efforts alleged to have been made by a firm in Japan to smuggle Japanese cloths into India with a view to passing them off as 'Indian.'

It would appear that the firm in question offered to supply their Paramax cloths to the Mohini Mills of Bengal, stamped in such a manner that it could be easily effaced. The suggestion was that these cloths might later be stamped with the mill's usual marks and sold as its own manufactures. In order to prevent such practices, the Chamber urged that the Indian Merchandise Marks Act should be suitably amended.

The principle of stamping the name of the "country of origin" in clear and bold letters on the face of all cotton, silk and artificial silk piecegoods manufactured by every country for sale in India, with the object of preserving the integrity and reputation of the piecegoods trade had been recognized

in the Agreement entered into between the Association and the United Kingdom Textile Delegation in 1933, and in a letter addressed to Government towards the middle of August, the Committee suggested that it should form the subject matter of legislative enactment.

A Bill with more or less similar objects was introduced in the Legislative Assembly by Mr. K. C. Neogy in February 1928. The main principles visualized in that Bill, so far as the marking of imported goods was concerned, was supported by all chambers of commerce and associations in this country, and the Honourable Sir George Rainy, in speaking on the measure, pointed out: "it is easy enough to enforce any regulations that are thought suitable at the time of importation because we have our customs staff to see to it," but nothing further was done, and the Bill subsequently lapsed. The Committee, therefore, suggested that Government should reconsider the whole question again and amend the Indian Merchandise Marks Act on the lines suggested. Similar representations were submitted to Government by a number of commercial bodies in the country, but it is understood that the suggestions made will be considered by Government in connection with the revision of the Merchandise Marks Act when that question is taken up.

In this connection, it might be pointed out that the authorities in Japan went into the allegations made by the Chamber, and it was found, according to a communication received from the Japanese Consul in Bombay, that the offer alleged to have been placed before the Mohini Mills was made under suspicious circumstances by a party who had no authority to do so and who had since left Japan. (*Appendix 36.*)

PROPOSED AMENDMENT OF THE INDIAN PATENTS AND DESIGNS ACT.

Towards the middle of February, the Director of Industries, Bombay, invited the Committee of the Association to express an opinion on certain amendments in the Indian Patents and Designs Act of 1911. It would appear that, in the course of the last few years, the Government of India had received several complaints from chambers of commerce in India regarding the piracy of British piecgoods designs by certain foreign manufacturers, and several suggestions for amendments of the existing law had been put forward to put an end to the import of goods bearing pirated designs. The Government of India, who had also been furnished with evidence of the prevalence of the evil, were prepared to consider favourably any reasonable amendment for the purpose if the existing law was inadequate to prevent the abuse. Some of the remedies suggested to Government were unacceptable for various reasons, but the proposal under consideration was embodied in the following resolution adopted by the Associated Chambers of Commerce at their meeting held on the 8th January 1934: -

"This Association desires again to impress upon the Government of India the necessity of giving the Customs Authorities powers under section 18 (d) of the Sea Customs Act to detain goods the designs on which are infringements of designs coming within the purview of the Indian Patents and Designs Act."

The amendment contemplated in the above resolution was, in the opinion of Government, open to no objection of principle, for it would merely extend to registered designs, provisions which already applied to copyright. Moreover, while it would involve a certain amount of additional work on the customs authorities, its enforcement was likely to give rise to no serious practical difficulties, and would probably prove fairly effective for its purpose. If the amendment suggested by the Associated Chambers of Commerce were adopted, then, the most convenient method of carrying it into effect appeared to be to insert in the Indian Patents and Designs Act of 1911, a provision on the lines of section 6 of the Indian Copyright Act, 1914.

The question on which the Government of India particularly desired an expression of opinion from commercial bodies was whether it was necessary or desirable to amend the law in the manner suggested by the Associated Chambers of Commerce, or whether the remedy already provided by the Patents and Designs Act, should be regarded as adequate. Section 53 of the Patents and Designs Act, it was pointed out, enabled the proprietor of a registered design to secure an injunction and damages up to a sum of Rs. 1,000 in respect of any one design. A number of suits had been brought under this section, particularly in Calcutta, but it was understood that the smaller use made of it in Western India was probably due to the fact that up to 1932 the Customs Authorities at Bombay and Karachi had read the Indian Merchandise Marks Act as enabling them to detain goods bearing pirated designs and acted accordingly. The main difficulty in the way of a more general use of section 53 of the Patents and Designs Act was, according to Government, that as soon as the goods passed the Customs, they were liable to be cut into lengths, so that a consignment could not be identified and piracy of designs could not be brought home to the persons responsible.

After detailed examination of the whole question by the Trade Marks Sub-Committee of the Association, the Committee pointed out that an amendment of the Patents and Designs Act on the lines suggested by the Associated Chambers of Commerce would not by itself serve any useful purpose, unless the Patents and Designs Act was considerably modified.

According to the Patents and Designs Act of 1911, the term " design " means :—

" only the features of shape, configuration, pattern or ornament applied to any article by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye ; but does not include any mode or principle of construction or anything which is in substance a mere mechanical device, and does not include any trade mark as defined in Section 478, or property mark as defined in Section 479 of the Indian Penal Code."

The procedure followed in regard to registration was that an application had to be made to the Controller of Patents and Designs accompanied by a detailed description and four copies of the tracing, sketch or photograph of the design in question. The Controller might refuse registration, but specifications of textile designs were apparently not published, and registration did not, therefore, ensure that such designs as were accepted for registration were necessarily originals. In the case of

designs applied to textiles, which were freely produced by hundreds of manufacturers in India and abroad, it was, the Committee pointed out, essential to ensure that such designs as were registered under the Patents and Designs Act were not copies or close imitations of designs already used by other manufacturers on similar goods. This could only be ensured by giving greater publicity to the specification of the design for which registration had been demanded, and greater opportunities to the trade for examining the actual specifications deposited with the Controller of Patents at the time of publication. In the case of designs for use on textile fabrics, the Committee were of opinion that registration should only be permitted after giving mills in this country adequate opportunities of satisfying themselves that the design proposed to be registered was not an infringement of a design already in use. This could possibly be achieved by depositing at the headquarters of the various textile manufacturers' associations and Chambers of Commerce in this country, reproductions—if necessary in colours—of the designs for which registration had been sought. Owners of existing designs similar in character should then be given an opportunity, during a period of two months, to object to the registration; all such objections being accompanied by specimens of the existing designs which formed the basis of the objection. If, in the opinion of the Controller of Patents and Designs, an objection was a good one, then registration should be refused; if no objections were received, then the designs should be registered under the Act.

The Committee, in conclusion, submitted that if provisions of the type described above were incorporated in the Act, the Association would have no objection to a further amendment of the Act on the lines suggested by the Associated Chambers of Commerce. (*Appendix 37.*)

PROPOSED AMENDMENT OF THE INDIAN COMPANIES ACT.

Towards the end of November, the Committee were informed that, as a result of their consideration of the Report of Mr. Sen, the Officer on Special Duty appointed to examine the various criticisms of the existing law and suggestions for its amendment, the Government of India had reached certain tentative conclusions which they proposed should be the subject of examination by a small informal committee under the chairmanship of the Honourable the Law Member. The Association was invited to nominate a representative to serve on this committee, which it was, indicated, would assemble about the middle of January and conclude its deliberations early in February. The Committee appointed Sir Joseph Kay as the Association's representative on the proposed committee, and informed Government accordingly. (*Appendix 38.*)

BILL TO PROHIBIT THE EMPLOYMENT OF CHILDREN AND TO LIMIT THE HOURS OF WORK OF YOUNG PERSONS IN SHOPS AND TO PROVIDE FOR THEIR EARLY CLOSING.

Early in September 1934, Mr. R. R. Bakhale introduced in the Legislative Council "A Bill to prohibit the employment of children and to

limit the hours of work of young persons in shops and to provide for their early closing." According to the Statement of Objects and Reasons appended to the Bill, the measure constituted a piece of social legislation calculated to regulate the conditions of employment of those persons who were working in shops and to secure for them periodical leisure which was essential for the general welfare of the community. Its chief features were :—

(a) Children under the age of twelve years were prohibited from employment.

(b) Young persons under the age of eighteen years were prohibited from being employed in a shop for a longer period than seventy hours, including meal times, in one week, this provision not being applicable to a person wholly employed as a domestic servant.

(c) On at least one week day in each week, no shop assistant should be employed in a shop after half-past one in the afternoon.

(d) Intervals for meals should be regulated in such a manner as would secure that no person would be employed for more than 6 hours without an interval of at least 20 minutes being allowed during the course thereof.

(e) In the case of shops of refreshments, an alternative provision to a weekly half-holiday was provided if the occupier agreed that—

- (1) he would not employ any shop assistant for more than 65 hours in one week, exclusive of meal times ;
- (2) he would give him 32 whole holidays on week days every year with six consecutive holidays on full pay ;
- (3) he would give him 26 whole holidays on Sunday every year ;
- (4) he would regulate his intervals for meals in a prescribed manner.

(f) Every shop should be closed not later than one o'clock on one week day in every week, this provision not being applicable to trades engaged in the retail sale of intoxicating liquors ; restaurants ; motor, cycle or air-craft supplies and accessories ; newspapers and periodicals ; meat, fish, milk and other articles of a perishable nature ; tobacco and smokers' requisites ; medicines, and medical and surgical appliances.

(g) Local Government should be given the power to fix the hours on the several days of the week on which all shops or shops of any specific class were to be closed. The hour so fixed should be not earlier than seven o'clock on any day of the week.

(h) Every shop should be closed not later than 9 o'clock in the evening on one day in the week and 8 o'clock on other days.

(i) In the case of restaurants, the closing hours should be 10 o'clock in the evening on one day and half-past nine on other days.

On 15th July 1935, in moving that the Bill be read a first time, Mr. Bakhale indicated that, in the event of the Bill passing the first reading in the House, it was his intention to move at the next stage for its circulation for eliciting public opinion, so as to gauge exactly the conditions in the trade and the public feeling in the matter.

The Bill received general support from all sides of the House. Mr. S. D. Saklatvala, the Association's representative in the Council, agreed that a *prima facie* case, so to speak, had been made in favour of the Bill, and had, therefore, no hesitation in supporting the principle of the Bill, particularly as the mover proposed to ask the House to have it published to elicit public opinion. He, however, pointed out that in a piece of legislation of this kind, the House must proceed very slowly, and there should be no provision which would militate against genuine traders.

The Honourable Mr. C. W. A. Turner, speaking on behalf of Government, put before the House certain difficulties which Government anticipated in implementing the Bill if it became law. However, as it appeared to be the sense of the House that the first reading should be passed and that the Bill should be published for eliciting public opinion, he indicated that Government would have no objection, provided that that decision did not bind them in any way as regards their attitude when the Bill came up for further consideration.

The motion for circulating the Bill was agreed to by the House.

TRADE AND IMMIGRATION RELATIONS BETWEEN INDIA AND BURMA AFTER THE SEPARATION OF BURMA.

Towards the end of August, the Committee were furnished with a copy of a White Paper issued by Government embodying the agreements reached between the Governments of India and Burma on the subject of the trade relations between the two countries in the period immediately following the separation of Burma and on the subject of the regulation of immigration into Burma from India, after separation. For convenience, the agreements were drawn up by the two Governments in the form of provisional drafts of Orders in Council to be made under Sections 160, 453 and 456 of the Government of India Act, 1935.

Briefly stated, the agreements were to remain in force for a period of three years, and thereafter, subject to termination by 12 months' notice on either side. Article 6 provided that the Tariff scheme in operation at the time of separation of Burma from India should remain effective in both countries in respect of goods imported into either from other countries. The first proviso to Article 6 laid down that, should either of the countries seek the consent of the other to a reduction of customs duties, such consent "shall not be unreasonably withheld." Article 12 provided that if India, after the

expiry of the existing Indo-Japanese Cotton Agreement, which limited the importations of Japanese cotton piecegoods into India by a system of quotas, again imposed a limit on the quantity of Japanese cotton piecegoods that might be imported into British India, Burma should, during the currency of the trade agreement with India, limit the importation of such goods into Burma to a quantity not exceeding that imported in 1934-35.

The Committee thought that the proviso to Article (6) required an explanation for apart from the fact that it was always difficult in such matters to ascertain what was "unreasonable," they considered that this provision introduced an element of uncertainty and nullified the purpose for which the Order was proposed to be made as specified in the preamble, viz., to prevent undue disturbance of trade between India and Burma in the period immediately following separation. The idea underlying the Order was that for a period of at least three years the *status quo* regarding customs duties should be maintained. It was, therefore, reasonable to assume that if even during this transition period either country wanted to reduce the duties, it should do so only with the full consent of the other.

From enquiries made, however, it appeared that the purpose of the Order was to preserve to each of the countries concerned the advantages it enjoyed in the other, and that it would obviously be unreasonable for one country to seek to nullify in any important respect any such advantage. If, for instance, the Government of Burma sought to lower the customs duties on cotton piecegoods, an objection on the part of the Government of India could not possibly be construed as unreasonable.

APPOINTMENT OF TRADE COMMISSIONERS.

(See also pages 4 and 69 of Report for 1929.)

The Indian Trade Mission of 1928, recommended *inter alia* the appointment of Indian Trade Commissioners at Durban, Mombasa and Alexandria, as part of their plan for developing India's export trade in cotton piecegoods and yarns with the countries which they visited. The Committee of the Association endorsed this recommendation, and hoped that in view of the urgent need of these appointments from the point of view of the development of India's export trade, Government would give effect to it at an early date.

It would appear that the general question of the appointment of Trade Commissioners was discussed by the Standing Committee of the Department of Commerce in 1930, and early in that year, the Honourable the Commerce Member stated in the Legislative Assembly that a detailed scheme for the appointment of Trade Commissioners in Europe, the Near East and Africa had been prepared, and it was expected that a final decision would be reached at an early date.

Shortly thereafter, His Excellency the Viceroy, in a speech at the annual meeting of the Federation of Indian Chambers of Commerce, in February 1930, stated: "It will interest you to know that a scheme has been prepared for the appointment of Trade Commissioners at Hamburg, Milan, New York, Durban, Mombasa and Alexandria, as a corollary to the establishment of Trade Commissioners in Africa and the Near East." Subsequently, a Trade Commissioner was appointed in Hamburg in March 1931, and another in Milan in February 1934. As regards the appointments suggested by the Mission, the Honourable the Commerce Member said in reply to a question put by Mr. H. P. (now Sir Hormasji) Mody, on 27th September 1932, that "the further progress of the scheme has of necessity been held up owing to financial stringency." The Honourable Member further indicated, "Government are anxious to proceed with the sanctioned scheme for the appointment of Indian Trade Commissioners but owing to the necessity for economy in public expenditure they are reluctantly compelled to postpone the making of further appointments of this nature at present." The Honourable Member referred to a "sanctioned scheme" and, therefore, read in conjunction with His Excellency the Viceroy's announcement, this statement appeared to suggest that a scheme for the appointment of Trade Commissioners as recommended by the Trade Mission had already been approved by Government, but that its introduction was being held up on account of financial stringency.

The question was again taken up early in the year under review, and in reply to a supplementary question put by Sir Hormasji Mody, the Honourable the Commerce Member, Sir Joseph Bhore, stated that that particular office (probably meaning thereby one of the three appointments suggested in Africa by the Indian Trade Mission), was not under contemplation at the moment. When pressed for information as to the appointments which Government had in view, the Honourable Member said that Government had not yet gone into the matter, and that they "would probably consult the commercial opinion" before coming to a final decision. It was further pointed out that Government were not definitely bound to appoint a Trade Commissioner for the African market, and had not given any specific guarantee on the point. This statement, however, was not entirely in accordance with facts, for in the first instance, as already pointed out, tentative decisions had already been reached when the Viceroy made his speech at the meeting of the Federation of Indian Chambers of Commerce in February 1930, or at any rate when Sir George Rainy answered Sir Hormasji Mody's question in the Assembly in September 1932.

Sir Joseph Bhore indicated the probability of Government consulting commercial opinion in the matter of these appointments, but it appeared that even a month or so before the above statement was made, the Associated Chambers of Commerce and the Federation of Indian Chambers of Commerce had been consulted in the matter to the exclusion of this Association. This omission was unfortunate as, in view of the Association's active participation in the Mission's labours, the Committee believed that they would also be consulted before decisions of far-reaching importance were taken by Government on the Mission's recommendations.

The Honourable Member was also not quite correct when he said that Government had given no undertaking whatsoever in this matter. The suggestion regarding the appointment of Trade Commissioners in certain countries was first made by this Association before the Noyce Committee in 1926, and that Committee recommended that the number of Trade Commissioners should in the first instance be limited to two (at Basrah and Mombasa) and further suggested that other countries should be surveyed by a small Trade Mission before further appointments were considered. In a letter dated 18th August 1927, to the Association, the Government of India expressed their anxiety to co-operate in every way possible in the development of India's export trade on which, they recognized, the future welfare of the Bombay Textile Industry largely depended. At the same time Government were not satisfied, on the information available to them, that Basrah and Mombasa were the places at which the appointment of Trade Commissioners would be indisputably repaying, but before coming to any definite decision on the desirability of the appointments at these or other places they preferred that the whole question should be more closely examined. The implications underlying Government's decision to appoint the Trade Mission suggested by the first Textile Tariff Board and the subsequent invitation to the Association to co-operate in the investigation were no longer in doubt, and the Association had always understood that by undertaking this enquiry, Government had taken upon themselves the onus of eventually giving substantial effect to its recommendations.

A perusal of India's export trade in cotton piecegoods during the last five years with those countries which the Mission desired to bring under the control of Trade Commissioners showed that India had lost ground in every market. It further appeared from the advance made by Japan in each of these countries during the last two years, that under the careful supervision of a Trade Commissioner beneficial results might accrue to the Indian Textile Industry. While the quotas and trade restrictions which had recently become a feature of the fiscal policy of certain foreign countries might have been partly responsible for India losing ground in the Persian, African and Near Eastern markets, it was thought that the presence of an accredited trade representative of India in these territories would go a long way towards securing more favourable trading conditions for India and more satisfactory and complete information as to the trading position and prospects.

In these circumstances, a further representation was addressed to Government towards the end of May, urging the need for Government making the appointments suggested by the Trade Mission at a very early date. No reply has yet been received to this communication from Government. (*Appendix 39.*)

PROPOSED ESTABLISHMENT OF AN ALL-INDIA INDUSTRIAL COUNCIL.

The Royal Commission on Labour in India recommended, *inter alia*, the establishment in India of an industrial council composed of representatives of employers, of labour and of provincial and central Governments and

the Indian States, which would meet regularly in conference. This organization, it was further recommended, should be sufficiently large to ensure the adequate representation of the various interests involved. The Joint Parliamentary Committee set up by both Houses of Parliament to consider and report on certain proposals formulated by His Majesty's Government for an Indian Constitution in consultation with Indian representatives, placed labour and other industrial legislation in the "concurrent" list, that is to say, the federal legislature as also the provincial legislatures and the states would have the right of legislating in most matters concerning industries and labour. As between the federal legislature and the provinces, it was proposed that federal legislation should supersede provincial legislation in all matters coming within the purview of the "concurrent" list unless the provincial legislation had been reserved for the assent of the Governor-General, or had so received his assent. So far as the Indian States were concerned, while an act of the federal legislature regulating any subject, which had been accepted by a state as a federal subject, would apply to that state as to a province, yet this jurisdiction of the federal legislature in the states would not be exclusive, for it was competent for the state to exercise its existing powers of legislation in relation to such a subject, but in case of conflict between a state law and a federal law on a subject accepted by the state as federal, the latter would prevail. It was, however, open to the states not to accept industrial or labour legislation as a federal subject, or to accept it subject to reservations. The effect of these proposals would, therefore, be not only would the states be able to enjoy immunity from any legislation enacted and made applicable to British India, but the provinces themselves would be able to enact their own legislation so that industries in one province might be subjected to handicaps which did not exist in other provinces, in addition to the prevailing inequalities in conditions in British India and different Indian States.

As regards the administration of labour legislation, the Joint Parliamentary Committee proposed that it should be a function of the provinces and the states. In the case of the provinces, in addition to the moral obligation on them to ensure proper enforcement of federal laws in the "concurrent" field, it was provided that the Governor-General should have powers in the last resort to issue instructions for this purpose, or federal officers might enforce laws in so far as these laws themselves required it. In the case of Indian States, however, even where they accepted the subject as federal, there would be only a moral obligation, and the Governor-General might issue general instructions for the enforcement of the law by the states, or federal officers might act under the federal law, but subject to the limitations imposed by the Rulers' Instrument of Accession.

The anomalies set forth in the above paragraphs, which were inherent in any scheme which vested concurrent powers of labour legislation and its administration, made it absolutely necessary that machinery on the lines recommended by the Royal Commission on Labour should be devised in order to ensure more or less uniform conditions throughout the country. This question was examined in detail by the Employers' Federation of India, and the Committee of the Association were invited to express an opinion on a proposal for the establishment of an Industrial Council for India which the Federation desired to submit to the Government of India.

The Committee felt that, with Government dealing direct with the proposed council, special bodies at present constituted on a provincial or sectional basis, and which effectively voiced the views of their respective constituents on labour legislation, would probably be ignored while the new organization might not for some time to come, at any rate, be in a position to take their place quite so effectively. It was, therefore, held that whatever the nature and constitution of the proposed council, the rights of individual associations to present their views direct to Government in any matter affecting their constituents should be recognized and respected. It was also stated that in the event of Government convening a meeting of the interests concerned the Association would be represented by Sir Joseph Kay and Mr. V. N. Chandavarkar, (*Appendix 40.*)

MARITIME TECHNICAL TRIPARTITE MEETING, 1935.

Towards the end of August, the Employers' Federation of India addressed the Association in connection with the appointment of the Employers' Delegate to the Maritime Technical Tripartite Meeting convened by the International Labour Office at Geneva on November 25, 1935, to discuss the questions of—

- (1) Manning, in conjunction with the question of hours of work on board ship; and
- (2) Holidays with pay for seamen.

It was understood that the meeting would not constitute a Session of the International Labour Conference and that it would take no final decisions; its object was to prepare the ground for a maritime session of the International Labour Conference which it was proposed to hold in 1936.

It would appear that the Government of India considered that Indian representation was desirable, and, having regard to the character of the meeting and the importance of avoiding unnecessary expenditure, they proposed to ask the three Indian representatives on the Governing Body (all of whom would be in Europe at or about that time) to attend the Conference. These representatives were Sir Bhupendra Mitra, Mr. D. S. Erulkar and Mr. N. M. Joshi. Government desired to have the views of the Federation on the proposed nomination of Mr. Erulkar, and indicated their willingness to consider the name of any other gentlemen who would be in Europe or was prepared to defray his own travelling expenses to and from India. They were willing to pay travelling expenses and allowances, on the scale admissible to non-official delegates to the International Labour Conference, to the representatives, but stated that no payment would be made on account of the journey from India to Geneva or back.

The President of the Federation considered that Government's suggestion to appoint Mr. Erulkar might be accepted, and enquired whether the Association had to say anything in the matter.

The Committee had no objection to Mr. D. S. Erulkar being appointed to represent employers of India at the Conference, but they considered that the attention of Government should be drawn by the Federation to what appeared to be an unwarranted departure from the method of election of employers' delegates to International Conferences laid down in the Peace Treaty of Versailles. That Treaty required that the employers' delegate to the Conference should ordinarily be elected by employers' organizations, wherever such organizations existed, and the question as to whether the person was residing in India or not should not, it was thought, be allowed to influence Government to the extent of departing from the method of election laid down in the Treaty. (*Appendix 41.*)

REVISION OF THE INDO-TURKISH *MODUS VIVENDI*.

Early in the year, the attention of the Association was drawn by a member-mill to the possibility of a closure of the Turkish market for Indian cotton yarns unless action was taken to renew the Indo-Turkish *modus vivendi* which was due to expire in February.

It would appear that the most-favoured-nation treatment guaranteed to India under this treaty had been of considerable value to the cotton spinning industry of this country. The export figures for the last five years showed that Turkey had been one of the few yarn export markets upon which India had been able to retain her hold despite the growth of the spinning industry in Turkey and competition from other countries. Further, Indian spinners had expended considerable sums of money in developing the yarn market in Turkey, and in the Levant generally. In these circumstances, the Committee addressed a representation to Government urging the need for ensuring that any new treaty entered into with Turkey made provision for the continuance of the most-favoured-nation treatment in respect of Indian cotton yarns and piecegoods.

Although no official reply has been received from Government, it is understood that Turkey had denounced the Convention owing to exchange difficulties, and that the problem of negotiating a fresh treaty continuing the most-favoured-nation treatment to Indian goods in that country had been rendered difficult by reason of the fact that the Turkish authorities insisted, as a condition precedent to any treaty, on India purchasing from Turkey, goods equal in value to the goods imported by Turkey from India. The matter is still under the consideration of the Government of India. (*Appendix 42.*)

PIECEGOODS TRADE WITH IRAN.

(*See also pages 69 and 270 of Report for 1934.*)

In the last issue of the report, reference was made to certain quotas fixed by the Government of Iran in respect of various classes of cotton goods imported into that country during the Economic Year ending June 1935.

It would appear from enquiries subsequently made by the Association that no imports of cotton piecegoods, except from Soviet Russia, would be allowed through the Iranian Customs unless the importer had signed a contract with the "Societe Par Actions des Cotonnades" which, by virtue of a Decree passed towards the end of October, 1934, had been vested by the Iranian Government with the exclusive right of importing goods. The trade was controlled by means of a system of import licenses issued by the Societe, the importer engaging himself to export Iranian produce equivalent in value to at least 50 per cent. of the C. I. F. price of the goods he imported into Iran.

Early in April, Mr. Wilhelm Tietze, Director of the National Bank of Persia and of the Societe Par Actions des Cotonnades, Teheran, visited Bombay with the object of establishing contacts between the Societe Par Actions des Cotonnades and Indian manufacturers and merchants interested in the export trade to Iran. At an interview which the Chairman of the Association had with Mr. Tietze, the prospects of developing business with Iran were fully discussed, and Mr. Tietze was supplied with statistical information regarding the extent of trade in piecegoods and yarn between India and Iran during the last decade.

It is understood that Mr. Tietze subsequently met a number of leading piecegoods merchants and manufacturers during his short stay in the City.

PROPOSED INTRODUCTION OF THE BRITISH POST OFFICE PROCEDURE FOR COUNTING WORDS IN THE INDIAN INLAND TELEGRAPH SERVICE.

(See also pages 87 and 299 of Report for 1934.)

Towards the end of October, the views of the Association were requested on a proposal to revise the existing rules for counting unintelligible combinations of letters in Indian inland telegrams so as to bring them into line with the rules in force in Great Britain, France, Germany, Italy, the Dominions and the majority of other countries in the world.

According to the Indian Post and Telegraph Guide, the existing method of counting such combinations was different according as the telegrams were written in code language or in cipher. Certain restrictions were in force regarding the formation of code words in the text of a code telegram, which were not also to exceed ten letters in length. In the case of cipher telegrams, there was no such restriction, but they were counted at five letters to a word.

With a view to adopting a uniform method of counting unintelligible combinations of letters in all telegrams, whether in code language or cipher, and in view of representations from commercial bodies, it was proposed to introduce in the Indian inland service the same procedure as in the British Post Office, viz., that all words not forming part of a modern language and all combinations of letters not forming recognizable words should be counted

at five letters to a word in the text of a telegram. This implied that unintelligible combinations of letters without any restriction as to their formation, would be accepted in inland telegrams irrespective of their length and would be counted for the purpose of charge at one word for each five letters plus one word for any excess. It would also mean that *en clair* words of fifteen letters would be accepted as one word in *all* telegrams, which under the existing rules were counted at ten letters to a word in the case of mixed telegrams containing both plain language words and code words.

The Committee considered that the adoption of the proposal would mean that the number of words in the text of a code telegram would be doubled, and the cost would be proportionately increased, if there were no corresponding reduction in the basic charge. For instance, a telegram of 8 words, consisting of two words in the address and six words in the text would, under the proposed rules, be counted as fourteen words, i.e., 2 words in the address and 12 words in the text, and would be charged accordingly ; in other words, as against 9 annas under the present system, the public would be called upon to pay 15 annas or 66 per cent. more, for the same telegram under the revised rules, the percentage rise increasing in proportion to the number of words in the text of the telegram.

In the case of a member who issued 1,200 ten-letter words including addresses in August last, the adoption of the proposal would have resulted in an increase in the charge of approximately 75 per cent. which, it was felt, could safely be taken as the average extra charge that would have to be incurred by commercial firms if the proposed change was given effect to without a corresponding reduction in the basic charge. On the other hand, the advantages which were expected to accrue as a result of the introduction of the change appeared to be negligible, for the removal of the restrictions regarding the inclusion of a minimum number of vowels in each word was not likely to benefit the commercial and industrial community inasmuch as all the code books in use at the moment already provided for this contingency.

Moreover, when the five-letter system was first introduced for foreign telegrams, the basic charge per word was also reduced by about 40 per cent., but no reduction appeared to be contemplated in the present instance. In these circumstances, the Committee opposed the measure but indicated their willingness to reconsider their decision if a reduction in the basic charge per word was contemplated. (*Appendix 43.*)

ISSUE OF UNSTAMPED GOODS FROM MILLS.

Towards the end of February, the Committee of the Association were informed that certain mills in Bombay were selling their goods to merchants without any stamping on the pieces. It appeared that the merchants took these goods to the Bombay, Karachi or Calcutta markets and there got them stamped with trade marks which closely resembled or were imitations of trade marks registered with the Association by other mills. The Committee thought that this practice was open to the gravest objection, and issued a circular to all members asking them to instruct their mill managers

to ensure that no cloth pieces were delivered out of the mill premises without the name of the mill at which they were manufactured and the trade marks and/or trade numbers under which they would eventually be marketed. (*Appendix 44.*)

COMPILATION OF STOCKS OF CLOTH HELD BY INDIAN MILLS.

(*See pages 58 and 216 of Report for 1933.*)

In the May issue of the monthly statistics of Cotton Spinning and Weaving in Indian mills are published figures showing the stocks of cloth held by Cotton Mills in India at the end of March in each year. A representation was addressed by the Committee to the Director-General of Commercial Intelligence and Statistics towards the end of December 1933, advocating the more frequent publication of figures relating to the stock position of the Indian Cotton Mill Industry as a whole.

In reply the Director-General admitted that the usefulness of the additional statistics proposed by the Association was undoubtedly not open to question, but pointed out certain difficulties of a practical character which confronted his department in undertaking the compilation and publication of the required statistics. In the first instance, the existing statistics regarding stocks were obtained from about 350 mills on a purely voluntary basis, and frequent reminders had to be sent to a good many of them to ensure any returns being received at all. The result was that the work of the compilation relating to any one period was unnecessarily held up and his department had no control over the length of time during which this difficulty would occur. He, therefore, pointed out that the utility of these statistics was thus to a certain extent already diminished at the outset and any addition to the information that was supplied and obtained in this manner was likely to reduce still further its usefulness. He also indicated that the compilation of statistics in the detailed form suggested by the Association would increase the work of his department six-fold. The work connected with collection and consolidation of the existing figures for nearly half of the mills was being done by the Collector of Customs, Bombay, and the adoption of the proposal made by the Association would involve a good deal of additional work for that officer also.

Lastly, it was stated that mills which supplied the statistics on a limited scale were not under any statutory obligation to do so and they often got restive over demands for information from the Commercial Intelligence Department and it was possible that a request for further details would not be met with prompt compliance. Under the circumstances, the Director-General of Commercial Intelligence and Statistics suggested that while it was not possible for him to accede to the wishes of the Association, some of the difficulties, at any rate, could be surmounted by concerted action on the part of the trade itself. He pointed out that if his department could be

assured of prompt, punctual and accurate returns, a good deal of unnecessary work such as sending reminders, asking for verification, holding up an issue indefinitely, etc., could be avoided.

No further action was taken by the Association in this matter for the time being, at any rate. In the year 1935, however, in connection with certain investigations undertaken by the Committee regarding output and consumption of cloth in India the necessity of accurate information showing the stocks held by mills from month to month became once more apparent and the matter was again taken up by the Committee with the Director-General of Commercial Intelligence and Statistics. It is understood that the suggestion is being considered along with the scheme for the revision of the classification of cotton goods now under consideration by the Government of India. (*Appendix 45.*)

ANTI-MALARIAL MEASURES IN BOMBAY MILLS.

Towards the middle of March, the attention of the Committee was drawn to a report of the proceedings of the meeting of the Malaria Advisory Committee held towards the end of January in which a reference had been made to "the failure of millowners to rectify defective gutters." In the course of the discussion which followed, the Executive Health Officer appeared to have agreed to write to individual mill agents asking them to rectify the defects and to advise the Malaria Officer to put sal hycol in the roof gutters when the water accumulated in them was likely to breed mosquitoes. Subsequently notices were also served on certain mills.

In a communication addressed to the Health Officer, the Committee pointed out that roof gutters were only temporary breeding places which formed during the rainy season, and that they derived their supplies of eggs from mosquitoes bred out of permanent breeding places situated in areas outside the mill compounds within the jurisdiction of the municipality. These permanent breeding places were well known and recognized, and it was pointed out that so long as they were allowed to exist, outbreaks of malaria of greater or less intensity were inevitable. The Committee, therefore, considered that an attempt should be made to eliminate all permanent breeding places in the City, as had already been suggested by Major Covell in his report.

The Committee also drew the attention of the Health Officer to the fact that while most mills had on their part and at great expense eliminated all permanent sources of breeding in their compounds, the Municipality had not yet completely eliminated the permanent breeding places outside. Roofs of mill buildings were built in conformity with the Municipal Building Bye-laws, and to regrade and make them accessible would mean further sums of money, which mills could not afford in these days. Under the circumstances, the Committee felt that the Municipality should, in the first instance, concentrate on effectively dealing with areas adjoining mill premises which were permanent breeding places.

The Executive Health Officer in reply explained that among the various breeding places, roof gutters had been found to breed malarial mosquitoes. Roof gutters were also very well known as being the favourable breeding places of mosquitoes, particularly the yellow fever carrying species. He did not, however, mean by roof gutters those of the mills only but also of private buildings. He explained that whenever defects in roof gutters of houses were noticed the owners were called upon to rectify them so as to prevent the accumulation of water. The difference between these roof gutters and those in the mills was that in the latter case an inspection was impossible owing to their inaccessibility. (*Appendix 46.*)

ABSENTEEISM AMONG WORKERS ON THE NIGHT SHIFT IN BOMBAY COTTON MILLS.

Early in May, the Association was informed that, in connection with a suggestion made that night work was injurious to the health of the workers and that there was consequently much absenteeism among the workers on the night shift, the Labour Office, Bombay, proposed to make a preliminary enquiry by sending round their lady investigators to all the mills working night shift with a view to finding out by an examination of their muster rolls whether there was any *prima facie* case for a detailed enquiry in the matter. In response to a request from the Labour Office, the Committee recommended that mills should grant such facilities as were necessary to the lady investigators during their visits to the mills for the purposes of the enquiry. (*Appendix 47.*)

THEIR MAJESTIES' SILVER JUBILEE CELEBRATIONS.

Early in the year, it was understood that the 25th anniversary of His Majesty King George V's accession to the Throne, which fell due on Monday, May 6, 1935, would be celebrated by special rejoicings throughout the Empire. So far as India was concerned, His Excellency the Viceroy, in the course of a public appeal issued towards the end of 1934, stated that a special fund would be raised in commemoration of so auspicious an occasion which, at Their Majesties' express desire, would be utilized for the purpose of relieving distress and suffering through the Indian Red Cross Society, St. John Ambulance (Indian Council), the Countess of Dufferin's Fund and the Indian Soldiers' Benevolent Fund.

An executive committee presided over by Khan Bahadur D. B. Cooper, Finance Member, was subsequently formed in Bombay for the purpose of organizing collections and celebrating the occasion in a fitting manner. This Committee appointed a number of Sub-Committees representing various interests and groups, and Sir Joseph Kay was nominated Chairman of the Mill Industry Sub-Committee.

The Mill Industry Sub-Committee met from time to time, and as a result of their endeavours, a sum of Rs. 33,325 9-11½ was collected from the Bombay Cotton Mill Industry, made up as under:—

	Rs.	s.	p.
Subscriptions from Cotton Mill Companies	20,161	0	0
Donations from Mill Staffs (including Rs. 150 contributed by the staff of the Millowners' Association).	4,374	0	10
Donations from Mill Workers	8,790	9	1½
Total ..	Rs. 33,325	9	11½

In addition, a sum of Rs. 3,864-13-0 was collected by Sir Joseph Kay from among friends and concerns other than cotton mills. The entire amount collected by the Association was subsequently remitted to the Honorary Treasurer, Their Majesties' Silver Jubilee Fund, Bombay.

MAYOR'S QUETTA EARTHQUAKE RELIEF FUND.

Early in June, His Worship the Mayor of Bombay issued a special appeal for funds to relieve the distress and suffering caused by the earthquake in Quetta. The Committee contributed a sum of Rs. 1,000 from the funds of the Association. Through the special efforts of a Sub-Committee presided over by Sir Joseph Kay, a further sum of Rs. 10,956-9-3 was raised from Mill Agents, Mill Staffs, Mill Workers, etc. The total amount collected was paid in to the Imperial Bank, which, it was understood, was ultimately transferred to His Excellency the Viceroy's Quetta Earthquake Relief Fund.

RAW COTTON STOCKS HELD BY BOMBAY MILLS.

In addition to the usual census of the stocks of raw cotton held by Bombay cotton mills at the end of August each year, a further census was, at the instance of the East India Cotton Association, undertaken in order to ascertain the stocks held by mills at the end of February. The results of the two enquiries are reproduced below for purposes of record:—

QUANTITY OF RAW COTTON IN STOCK.

Date.	Cotton actually on hand in Mill Godowns.		Ready cotton bought but not taken delivery of.		Total.	
	Actual Number of Bales.	Actual weight of bales (in Candies of 784 lbs.).	Actual Number of Bales.	Actual weight of bales (in Candies of 784 lbs.).	Actual Number of Bales.	Actual weight of bales (in Candies of 784 lbs.).
28th February 1935	102,351	103,188	46,934	25,065	230,285	128,853
31st August 1935 ..	204,137	108,833	33,134	16,898	237,271	125,731

MILL HOLIDAYS AND PAY-DAYS FOR 1936.

The following mill holidays, which are in accordance with the provisions of the Indian Factories Act, have been fixed by the Committee of the Millowners' Association, Bombay, for adoption by the Bombay members of the Association during the year 1936 :—

MONTH.	DATE OF HOLIDAY.	DAY OF WEEK.	FESTIVAL.	MONTHLY PAY-DAY.	DAY OF WEEK.
JANUARY	1st	Wednesday	<i>New Year Day</i>	13th	Monday.
	5th	SUNDAY			
	14th	Tuesday	<i>Makar Sankranti</i>		
	19th	SUNDAY			
26th	Do.				
FEBRUARY	2nd	SUNDAY	<i>Maha Shivratri</i>	15th	Saturday.
	9th	Do.			
	16th	Do.			
	21st	Friday			
MARCH	1st	SUNDAY	<i>Holi</i>	7th	Saturday.
	8th	Do.			
	9th	Monday			
	10th	Tuesday	<i>Gudi Padva</i> <i>Ram Navami</i>		
	15th	SUNDAY			
	24th	Tuesday			
31st	Do.				
APRIL	5th	SUNDAY		11th	Saturday.
	12th	Do.			
	19th	Do.			
	26th	Do.			
MAY	3rd	SUNDAY		9th	Saturday.
	10th	Do.			
	17th	Do.			
	24th	Do.			
	31st	Do.			
JUNE	7th	SUNDAY	<i>Ashadi Ekadashi</i>	13th	Saturday.
	14th	Do.			
	21st	Do.			
	30th	Tuesday			
JULY	5th	SUNDAY	<i>Nag Panchami</i>	11th	Saturday.
	12th	Do.			
	19th	Do.			
	23rd	Thursday			
AUGUST	2nd	SUNDAY	<i>Narali Purnima</i> <i>Gokul Ashtami</i>	8th	Saturday.
	9th	Do.			
	16th	Do.			
	23rd	Do.			
	30th	Do.			
SEPTEMBER	6th	SUNDAY	<i>Ganesh Chaturthi</i> <i>Gowri Visarjan</i> <i>Anant Chaturdashi</i>	12th	Saturday.
	13th	Do.			
	19th	Saturday			
	23rd	Wednesday			
29th	Tuesday				
OCTOBER	4th	SUNDAY	<i>Sarva Puri Amvasa</i> <i>Dasara</i>	13th	Tuesday.
	14th	Wednesday			
	18th	SUNDAY			
	25th	Do.			
NOVEMBER	1st	SUNDAY	<i>Diwali</i>	13th	Friday.
	8th	Do.			
	14th	Saturday			
	15th	SUNDAY			
	16th	Monday			
	22nd	SUNDAY			
29th	Do.				
DECEMBER	6th	SUNDAY		12th	Saturday.
	13th	Do.			
	20th	Do.			
	27th	Do.			

Any members desiring to make a change in the list of holidays or pay-days as enumerated in the above list should intimate the Association of their intention to do so at least ten days prior to the holiday or pay-day concerned. Modifications may be necessary to allow of holidays being given at half-yearly book-taking.

MEMBERSHIP SUBSCRIPTION.

The following reduction in membership subscription was sanctioned by the Committee of the Association:—

	BOMBAY COTTON MILLS.		UP-COUNTRY COTTON MILLS.	
	Original Rate.	Reduced Rate.	Original Rate.	Reduced Rate.
	Rs.	Rs.	Rs.	Rs.
For every 1,000 Mule Spindles or part thereof	12	9	8	7
For every 500 Ring Spindles or part thereof	12	9	8	7
For every 50 Looms or part thereof ..	9	7	6	5
For every Rs. 10,000 of the estimated value of the machinery, buildings, etc., of the Dye, Bleach and/or other factory attached ..	3	3	2	2

The new rates came into operation on 1st January 1935.

TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT.

For purposes of record, the Indian Customs Tariff, Schedules I and II, appended to the Indian Tariff Act, XXXII of 1934 (as in operation during the year 1936), showing the rates of customs duties levied on goods imported into and exported from British India, together with tariff values assigned to certain articles for the purpose of assessment of customs duties during the twelve months January to December 1936, are reproduced in full in *Appendix 48*.

THE MILLOWNERS' ASSOCIATION, BOMBAY.

Balance Sheet as at 31st December 1935.

LIABILITIES.				ASSETS.									
Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.		
Imperial Bank of India (Overdraft) (Secured on hypothecation of Government Securities of the face value of Rs. 1,70,700 as per contra.)			35	15	1	Interest accrued on Association's Investment of General Fund upto 31st December 1935, but not received	1,264	5	0				
Auditors' fees, Advertisement, Printing, Stationery, Electric Lights and Fans, etc., unpaid	1,635	10				Outstandings due	1,882	13	0	3,147	3	0	
Salaries unpaid	335	8				Advance payments made on account of Books and Periodicals, Telephones, Salary of Clerk at Calcutta, and other sundry items				593	3	6	
Subscriptions received in advance for 1936			1,971	2	3	Advances to staff				435	0	0	
Balance of Mr. Mody's (now Sir Hormasji Mody) presentation amount			9,070	0	0	Expenses in connection with the Municipal Assessment of Mills				4,600	0	0	
Arbitration Deposits			1,447	10	0	ASSOCIATION'S INVESTMENTS AT COST:—							
Balance of Amount appropriated for future propaganda and action for the promotion of the piecegoods and yarn trade of Member Mills			720	0	0	Government 3½ per cent. Promissory Notes of 1854/55; 1865 and 1900/01; for	Rs. 2,27,000	1,54,145	10	0			
ASSOCIATION'S GENERAL FUND—			24,965	3	4	Government 3½ per cent. Promissory Notes of 1947-50 for	33,100	31,776	0	0			
Balance as on 31st December 1934	2,25,006	10				Government 4 per cent. Bonds 1960/70 for	40,000	37,600	0	0			
Add—Excess of Income over Expenditure during the year ..	14,893	2				Government 5½ per cent. Promissory Notes 1938/40 for	35,600	37,813	0	0	2,61,334	10	0
			2,39,899	13	1	Rs. 3,35,700							
						(Market value of the above is Rs. 3,37,445-0-0)							
						CASH—							
						With the Imperial Bank of India, Secretary's Account ..	598	8	0				
						On hand	7,401	4	3	7,999	12	3	
Total Rs.			2,78,109	11	9	Total Rs.				2,78,109	11	9	

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Examined and found correct.

A. F. FERGUSON & CO.,

Chartered Accountants,
Registered Accountants,
AUDITORS.

T. MALONEY,

Secretary.

THE MILLOWNERS' ASSOCIATION,

BOMBAY, dated the 17th February 1936.

THE MILLOWNERS' ASSOCIATION, BOMBAY.

Income and Expenditure Account for the year ended 31st December 1935.

Dr

Cr.

EXPENDITURE.	Rs. a. p.		Rs. a. p.		INCOME.		Rs. a. p.		Rs. a. p.	
To Establishment	54,292	9 0			By Subscriptions for the year ended 31st December 1935..	89,623	4 0			
.. Conveyance Allowance to Secretary and Labour Officer ..	3,000	0 0			.. Miscellaneous Receipts	2,034	3 0			
.. Preparation of Monthly Import and Export Statistics for 1935 ..	2,424	0 0			.. Registration of Trade Names	1,282	0 0			
.. Preparation of Statistics for Bombay Cotton Mill Industry for 1934	549	8 0			.. Interest on Investments of General Fund, etc. ..	13,209	13 11			
.. Office Rent	4,200	0 0								1,06,149 4 11
.. Printing Statistical Returns, Mill Statement for 1935 and Annual Report for 1934	6,551	2 0								
.. Stationery	2,153	13 0								
.. Advertisements	117	0 0								
.. Books and Periodicals	759	14 11								
.. Auditors' Fees	200	0 0								
.. Telephones	668	7 11								
.. Electric Lights and Fans	579	3 6								
.. Law Charges	299	0 0								
.. Furniture and Fixtures	357	0 0								
.. Petty Charges, Sundry Expenses including Postage and Telegrams	3,070	6 10								
.. Cost of passage money to Secretary	1,255	10 0								
.. Registration of Trade Numbers	220	8 0								
.. Association's Contributions to Provident Fund	3,710	0 0								
.. Membership Subscription to the Employers' Federation of India, Textile Institute and Royal Asiatic Society for 1935	847	15 3	85,256	2 5						
.. ASSOCIATION'S CONTRIBUTIONS FOR THE YEAR TO :—										
The Victoria Jubilee Technical Institute.. .. .	1,500	0 0								
The Police Comforts Fund	1,000	0 0								
The Quetta Earthquake Relief Fund	1,000	0 0								
The 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								
The Naigaum Social Service Centre	350	0 0								
The Bombay Textile & Engineering Association	200	0 0								
The Goculdas Tejpal Hospital Nursing Association Fund	200	0 0								
The Maharashtra High School	150	0 0								
			6,000	0 0						
.. Balance being excess of Income over Expenditure carried to Balance-sheet			14,893	2 6						
Total Rs. ..	....		1,06,149	4 11	Total Rs. ..	..		1,06,149	4 11	

THE MILLOWNERS' ASSOCIATION,
BOMBAY, dated the 17th February, 1936.

Examined and found corrects

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

T. MALONEY,
Secretary.

THE MILLOWNERS' ASSOCIATION PROVIDENT FUND.

Statement of Funds for the year ended on the 31st December 1935.

PROPERTY AT OPENING AND RECEIPTS.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	EXPENDITURE AND PROPERTY AT CLOSING.	Rs.	a.	p.	Rs.	a.	p.		
By Amount of Funds as at the 1st January 1935				83,159	8	2				To Claims paid	Rs. 3,819-13-1							
.. Subscriptions received from Members of the Millowners' Association				3,735	0	0				.. .. forfeited	1,289-7-3			5,109	4	4	
.. Contributions from the Millowners' Association				3,710	0	0				.. Expenses during the year				11	6	0		
.. Interest (including interest accrued to date, Rs. 872-1-4)				3,662	10	5				.. INVESTMENTS HELD AT COST :—						3,120	10	4
.. Lapses and Forfeitures :—							94,267	2	7	Face Value.								
Reserve against Depreciation of Government Securities as per last Balance Sheet transferred to this account ..				2,654	9	8				Government 3½ per cent. Promissory Notes 1842/43, 1854/55, 1865, and 1900/01 for	Rs. 33,700	24,995	4	0				
Add : Amounts forfeited this year ..				1,289	7	3				Government 3½ per cent. Bonds 1947/50 for .. .. .	.. 14,000	13,639	14	0			
							3,944	0	11	Government 4 per cent. Bonds 1960/70 for .. .. .	.. 52,000	49,246	4	0			
											Rs. 99,700	87,881	6	0				
										(Note.—The present worth of the above Securities is Rs. 1,04,760.)								
										.. Interest accrued and due on these Securities	872	1	4					
										.. Cash with the Imperial Bank of India on Current Account	4,337	1	10			93,090	9	2
Total Rs. ..							98,211	3	6	Total Rs. ..						98,211	3	6

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THE MILLOWNERS' ASSOCIATION,
BOMBAY, dated the 17th February 1936.

Examined and found correct.
A. F. FERGUSON & CO.,
Chartered Accountants,
Registered Accountants,
AUDITORS.

T. MALONEY,
Secretary.

Report for the Year 1935.

Section III.

CORRESPONDENCE.

APPENDICES 1—48.

APPENDIX 1.

DINNER TO HIS EXCELLENCY THE GOVERNOR—PRESENTATION TO
SIR HORMASJI MODY, K.B.E., M.L.A.

*Speech made by Sir Hormasji (then Mr. H. P.) Mody at the Dinner given by
the retiring Chairman and Committee of the Association in honour of
H. E. the Governor on 15th March 1935.*

GENTLEMEN,

I rise to give you the toast of our honoured guest. This is the first occasion on which we are collectively meeting His Excellency, and I think you will grant that it is rather clever of us to establish our first contact with him in an atmosphere in which he might feel a little indulgent and might refrain from saying what he thinks of us. His Excellency must have noticed in the course of the last few months how public dining has been reduced to a fine art in Bombay, and how every association which stands in need of buttressing its reputation resorts to a public dinner. I hasten to assure His Excellency that we are not entertaining him to-night through any such unworthy motive. This year sees the Diamond Jubilee of our entry in the Industrial field, and I feel sure that it could not be more fittingly celebrated than in the distinguished presence of Lord Brabourne (applause)!

Gentlemen, this is a Millowners' Dinner, and I suppose you expect me to deliver an oration upon the Textile Industry. I have no such intention; you will grant that the subject is not exactly a popular one, nor does it lend itself readily to an after-dinner speech. Besides, I do not know what I can say. The problems of the Industry are interminable, and as soon as one is got out of the way, there is always another waiting round the corner to take its place.

Before I go any further, as a God-fearing man, I must here confess to having taken in my friend Sir Joseph Kay. When I was trying my wiles on him with a view to secure him for the chairmanship, I told him that there was not a single problem of any importance which was left outstanding, and that he was sure to find his path very smooth, easy and straightforward. Well, that was correct up to a point, but I forgot to add that even when there are no labour or tariff or taxation problems, there is always something to keep our Chairman occupied and amused. He could always, for instance, depend upon Government, public bodies and private individuals doing their best to keep him from rusting (laughter). I shall take our greatest tormentor first, the Government of India. They send forth from the sheltered heights of Simla where, as the Babu wrote to his wife "the air is very embracing" (laughter), a regular stream of labour legislation which we are asked continually to bless. We have done so more often than not, but I think the time has arrived when we must ask the particular department of Government responsible for our woes to stop its double shift working, so to speak, and to leave us for a while in peace. Then, there is a department nearer home at the head of which is my friend Mr. Gennings. Now I have a very warm regard for Mr. Gennings, but may I ask him to show us a little mercy? His office regularly sends us long and complicated questionnaires asking for information about every conceivable subject. (His Excellency, "Hear, Hear"). You, Sir, say "hear, hear," but our trouble is that we can neither understand these questionnaires nor answer them (laughter). What I suspect is that there are some people in Mr. Gennings' office who have a very unhealthy appetite for statistics, and if I was in Mr. Gennings' place, I should have them medically examined (laughter). One of these days I confidently expect them to write in and enquire how many children we have, and whether we are not overproducing! (Laughter).

I must next come to the Bombay Municipality. Far be it from me to speak irreverently of a body with which I have been intimately connected for more than 20 years; but it seems to me that the Municipality is always busy devising all sorts of ways and means to dip its hands into our pockets. We are at the present moment engaged in fighting them

upon a serious issue, and if I was not afraid of my friend the Chief Judge, I would like to relieve my feelings a little. But without any contempt of Court, I think I can certainly express the hope that the party which has Right on its side will win. As to which is the right side is, of course, a little matter upon which there is some difference of opinion, which will be presently decided. You have heard of the man who was engaged in litigation with his neighbour and who left town before judgment was pronounced instructing his lawyer to wire him the result. In due course the lawyer wired: "Right has triumphed." Quick came the reply "appeal immediately"! (Laughter.)

Next, Sir, I come to our friend, Mr. Gilligan. We all recognize his enthusiasm. I do not know where he gets all the time—he must be working overtime, and that is neither good for him nor for us. But might I point out to him that if some of our operatives get intoxicated or neglect to practise birth-control, that it is not we who are responsible for the result? Both by precept and example, we try to discourage intemperance in every shape and form. I really would like to say a little more about Mr. Gilligan, but I understand he is an Irishman and you all know how greatly they love a row. I do not know whether you have heard about the Irishman who went for the first time to the States, and the moment he landed, he found a street fight going on. He ran up to the nearest policeman and said: "Excuse me, Sir, but is this a private fight or can anybody join in?" Well, Sir, that being the record of Irishmen, I will say no more about Mr. Gilligan.

I shall also not dwell upon our other tormentors, angry shareholders, disappointed speculators and people who persist in asking us week after week to put our house in order. If we have survived them all, it is because we have stout hearts and because we claim to typify the spirit of Bombay—the enterprise, the resourcefulness and the indomitable courage which have made Bombay the metropolis of the Eastern World. Sir, in a period of unexampled depression, we have kept our factories going, often at considerable personal sacrifices to ourselves, and we have gone ahead with programmes of re-equipment. We have not sat still like the Aberdonian who kept off buying an atlas until world affairs looked more settled (Laughter).

Now, Sir, let me pass on to a subject of more immediate interest to this very representative and influential gathering of the citizens of Bombay. They say that India was won in the name of Englishmen by the courage of Irishmen and for the benefit of Scotchmen. However true that may be of India, it certainly is not true of Bombay whose greatness has been built up by the many communities which compose its cosmopolitan population. It has been said—and, of course, I am not very strong in history—that a Scotsman was one of the first to come out here, but he saw the Parsi and hastily migrated to Calcutta where, as you know, he is not doing too badly (laughter). And that leads me to a little digression for which I disclaim all responsibility, and for which I must hold my friend the *Times of India* entirely responsible. It told us recently of a gallant Colonel with a talent for the original, who wants Bombay to be retained as a British Colony, distinct from the rest of India. The idea is certainly worthy of a museum of antiquities and oddities, but it provokes me into dwelling upon a theme, which is somewhat of a favourite with me. I say, constitute Bombay into a separate Province—I am talking of Bombay City—constitute her into a separate Province; give her complete self-government, and I promise you that the Churchills and the Pagaroffs who scoff at the capacity of Indians to govern themselves will look very foolish. And, Sir, I ask you as the Head of the Presidency, why we really should not have an independent existence of our own. As you know, the rest of the Presidency is very jealous of us, and only wants our cash, and we should be thoroughly justified if we asked for a judicial separation. Times without number, the Presidency has shown how little it appreciates the fact that if it leads India in all that constitutes political, educational and social progress, it is largely because of the wealth, influence and importance which Bombay has so deservedly won: I say, Sir, that if you give Bombay a separate existence, we undertake to run our little Dominion as well as Canada, South Africa and Australia run theirs.

I really must leave aside these dreams and pass on to Your Excellency. You are the head of a great Province and within a very short period of time, it will be your task to lead the Presidency along the first real road to self-government. Many important and complicated questions are bound to arise in the first clash between the enlarged liberties of a

new-born democracy and the vast powers which will reside in the Governor. But, Sir, we who know you feel perfectly confident that Bombay will still be in the van of progress, and that the first substantial experiment in self-government will be a thundering success under your leadership. We have known, Sir, the energy and resourcefulness which you have shown in preventing disturbances which have always followed the preaching of class hatred in Bombay in the immediate past, and I am quite sure, that there is no community nor interest which will look to Your Excellency in vain for a wise lead in the difficult times that are ahead.

Sir, just another idea, and I have done. The constitution which is in the making has been regarded in some quarters as giving no self-government, and in others as providing no safeguards. It seems to me like that Academy painting which had the title "The Picture of a Lady," which the art critics said was no picture, and the women said was no lady (laughter). Anyway, Sir, responsible Indian opinion is convinced that the constitution is suffering from an over-dose of safeguards. But this I can say, from what personal contact I have had the privilege of having with Your Excellency, that in your hands, these safeguards will be relegated to the back ground and that they will be assigned their proper place as powers which are to be used only in rare emergencies. In this, as in other matters, new and difficult problems will arise, but Your Excellency may be assured of the support of all communities for the purpose of achieving the common end ; and of none more than the members of my Association, who represent, both in their persons and in the great Industry they represent, one of the most important and most stable elements in the body politic. (Prolonged applause.)

His Excellency in reply said:—Mr. Mody and Gentlemen,—I should like to thank you very much indeed for the very kind way in which you have proposed the toast of my health and you, gentlemen, for the very friendly way in which you have received it. I was extremely sorry that circumstances prevented us meeting officially in any way last year. I am, therefore, doubly glad that we are meeting here to-night in so peaceful an atmosphere but I must quarrel for once with Mr. Mody when he attributes this to your cleverness. I must stand up for my friend Mr. Gilligan because this friendly atmosphere is largely due to his efforts and I might even claim a little of the credit for the Government of Bombay.

I would like first of all to take this opportunity of paying a tribute to your Association which has done and is doing a tremendous amount of good for one of the most important industries of India. When the commercial history of the last few years comes to be written, I am certain that you will receive the credit which should rightly be yours. Looking round the table to-night gives an example of the harmonious co-operation between Indians and Europeans which augurs well for the future.

Many of the critics of the impending reforms try to make out that it is impossible to have the marriage of the Indian and the European in governing the affairs of this country. You, gentlemen, give the lie direct to this criticism, when we remember what this Association has done and I feel certain, will do in governing the affairs of the great industry you represent.

And that brings me straight away to Mr. Mody to whom a very large amount of the credit is due. I had the pleasure of knowing Mr. Mody long before I had any idea of coming to India and I have always been more than impressed by the wise counsel which Mr. Mody has given, not only to this industry here in Bombay, but also to people like myself, in England, who are interested in the future of India. He has done a great deal for India, not only here in Bombay, but also at home. It has been rather the fashion since I have been in this country, at any rate for people to make unending and gratuitous attacks on Mr. Mody but his back is broad enough to carry them. Here again, if I may make a forecast about the future, I feel certain that of all the people sitting round this table to-night the historian of the future will make a very friendly, a very kindly reference to Mr. Mody when the history of the discussions of the last few years between India and Great Britain comes to be written. (Applause).

His leaving you as Chairman will not, I hope, mean that he will remove his interest from the Mill Industry of Bombay. It certainly is Bombay's loss ; it certainly is Tata's gain and I do hope that at any rate during the time I am in Bombay—I am frankly selfish—that Mr. Mody will spend a great deal of time here and give me the benefit of his experience and advice. Of all the difficult subjects for an after-dinner speech, I commend to you the mill industry because I have always been taught that the one thing to avoid in an after-dinner speech is a controversial subject. I would be treading on dangerous ground, if I referred to night-shifts or perhaps if I referred to the methods of buying the raw materials of your industry. It is very difficult indeed to find any particular subject on which at least 40 per cent. of the gentlemen sitting round the table to-night would not feel extremely inclined to stand up and say "rubbish" if I were to hazard an opinion thereon.

I have already mentioned Mr. Gilligan, and I will come back to him because I would like to say how grateful my Government are to the millowners of Bombay for the way in which they have accepted our ideas and the way they have co-operated with the new scheme. It must have come as a considerable shock to you all in the first instance and I would like to express here and now my own personal appreciation and the appreciation of Government for the way in which you have met us. And yet when we come to think of it, the whole idea underlying the invention of Mr. Gilligan is really pure and simple common sense. The one thing that is lacking here in Bombay at the present moment is a really sound and really efficient trade union in your industry. It is the one thing which I want to see, above all, grow up here in Bombay. But in the meantime, as there was no sign of a really sound and efficient union being built up, the obvious thing was for Government to take whatever steps they could to produce an alternative, and here (pointing to Mr. Gilligan) is that alternative. The alternative has, to my mind, been extraordinarily successful, because if you read Mr. Gilligan's weekly reports, it is really impressive to realise the number of people who are bringing their complaints to him instead of ventilating them in the market place, who go to him with their troubles, and you, gentlemen, and your Managers manage to put them right instead of allowing them to grow into festering sores, which they certainly would otherwise. Your industry has been provided with a safety valve. You know, it is very often thrown in the teeth of the British Government by foreigners visiting England, particularly London, for the first time, that people are allowed to get up on soap boxes in Hyde Park, usually on Sundays, and make the most preposterous speeches, attacking everybody and everything. But it is realised that this is the best safety valve. And in the appointment of the Labour Officer, we felt that we were providing for the mill hands a safety valve to whom they could take their grievances with some chance of relief. If only you gentlemen could help in doing all you can to foster the trade union spirit in Bombay, I myself would regard that as by far the best monument which could be erected to the last pre-reform Government. If only trade unionism can be born here in Bombay I would regard the future of your industry with very much greater confidence than I can when there is an absolute absence of that spirit.

I would also, gentlemen, appeal to you in one other way, and that is to do all you can to foster and to encourage welfare of all kinds, not only in your mills, but also in parts of Bombay near your mills. I might refer particularly to education. There is a school which I visited, which impressed me particularly as an example of the work that you could undertake. There is the Maharashtra High School in Lower Parel. That particular school, and there are other such, is working under considerable difficulties. They have got 300 boys ; 60 per cent. of those boys are the sons of people working in your mills. Over 400 of their ex-pupils are working in your mills to-day. I believe that you could help Bombay and your industry by taking an interest in institutions of that kind. I know how charitable minded the millowners of Bombay are, and if I may make an appeal to you, I am sure it will be a tremendous social service, and will be a useful contribution to the City and to your Industry to help these schools.

Now gentlemen, this is the last appearance, for the time being at any rate, of Mr. Mody as your Chairman. I have already expressed my humble opinion of him, every word of which was as sincere as it is possible for me to be sincere, and I hope every one of you round the table will wish him success in whatever walk of life fate may land him in the future. I wish every success to his successor, Sir Joseph Kay. He certainly takes on to-day in a

very different atmosphere from what he would have taken on had it been last year, but it does not follow that his term of office will be completely devoid of difficulties. I wish him every luck and every success in the difficult task that lies before him.

The first job he is taking on, as far as I understand, is a thing which lies particularly near my heart, and that is the success of the Silver Jubilee Celebrations, at any rate to the extent to which it is affected by your Association. He tells me that Sir Ness Wadia has given a very generous lead and has subscribed Rs. 3,000 towards the Fund from his mills. I am very glad that he has given such a generous lead to the Industry, and I would ask you to back up Sir Joseph in the task which he is taking up, because whatever sum of money we succeed in raising here in Bombay will be used for the benefit of humanity in India, and to the extent of at least 70 per cent., it will come back to us here in Bombay to be used either for hospitals or other objects connected with health, which is a subject very near to our hearts.

Another person to whom I would like to wish a successful term of office is your new Vice-Chairman, Mr. Chandavarkar, my friend and colleague in many activities here in Bombay, and I am delighted to find him here again taking up active work once more with the Millowners' Association.

Gentlemen, I thank you very much indeed for your invitation to be present here to-night. I have been looking forward to it for a long time, and it has come up to my expectations. I thank you very much, gentlemen, and I have much pleasure in wishing you every success during the coming year. (Applause.)

PRESENTATION TO SIR HORMASJI MODY, K.B.E.

After Mr. Mody had proposed the toast of His Excellency the Governor and the latter had replied, Sir Joseph Kay, the incoming Chairman, proposing Mr. Mody's health referred to his work and said that he would regard him from three aspects namely as a citizen, as a man and as the Chairman of the Millowners' Association.

As a citizen, Mr. Mody had rendered outstanding services to the City of Bombay as a member of the Municipal Corporation on which he sat for a number of years. As a man he had a very charming personality and was full of resourcefulness which stood him in very good stead in his public life. As Chairman of the Millowners' Association, Mr. Mody had done remarkable work, and it was largely because of it that the industry had been able to pull through the unprecedented depression of the last few years. He had also done splendid work in the matter of protection to the textile industry.

Sir Joseph Kay then presented Mr. Mody with souvenirs on behalf of the Bombay and up-country members of the Association.

Mr. Mody, in the course of his reply, thanked all, and said that since that morning numerous kindly references about him had been made. Sir Ness Wadia had spoken about him at the Millowners' meeting that morning and His Excellency and Sir Joseph Kay had now followed with very generous references. He was overwhelmed by such remarks and they only showed what position the industry had come to occupy in the public life of Bombay. He said he had led various deputations and had fought on many occasions on behalf of the industry, but that whatever success these deputations and fights had achieved was mainly owing to the loyal co-operation which he had received from the Millowners' Committee and the members of the staff. Mr. Mody specially referred to the support extended to him during all these strenuous years by Mr. Maloney, the Secretary, and Mr. Aiyer, the Assistant Secretary, and said that these two together with the other members of the staff were not a little responsible for what had been achieved. Mr. Mody again thanked His Excellency, Sir Joseph Kay and the others and said that he would always treasure the memory of that evening.

APPENDIX 2.

REGISTRATION OF TRADE NUMBERS ON DHOTIES AND SARIES.

Copy of Circular No. 1151/54, dated 14th May 1935, from the Association to all members of the Association.

The Committee of the Association have for some time been giving careful consideration to the question of the registration of trade numbers on dhoties and saris. It has been pointed out by a number of mills that in certain cases it is not possible to differentiate between dhoties and saris. The difference in width of border which has been the chief test applied when applications for registration are made is stated to be not quite satisfactory inasmuch as in certain parts of the country goods are classed as dhoties although the width of the border may be as much as 2 inches. At the other end of this scale it is stated that in certain parts of the country goods are designated as saris although the width of the border may be less than $\frac{3}{4}$ ths of an inch. In these circumstances it has been decided that in future registration should be refused if the number applied for on a dhoty or a sari conflicts with a number already registered on either dhoties or saris. It would also reduce the work of the Association's Trade Number staff, if when submitting any number for registration on dhoties and saris, your office staff compared the number in respect of which registration is sought with numbers registered in both the dhoty and the sari classifications printed in the Association's Trade Numbers Register.

APPENDIX 3.

MUNICIPAL ASSESSMENT OF COTTON MILLS.

Copy of Judgment delivered by the Chief Judge of the Small Causes Court, on 17th June 1935, in the appeal filed by the Meyer Sassoon Mills.

JUDGMENT.

After 50 years of amicable settlement and adjustment between the Mill Industry and the Bombay Municipality on the question of rateable value of the Mills in the City the parties are now seeking a verdict from the Court. I shall give a brief history of the mode of assessment that prevailed from 1883 onwards. Between 1883 and 1913, a period of about 30 years, the assessment was based upon the actual letting value and the rate was fixed by agreement between the Bombay Municipality and the Millowners' Association at Re. 1-6-3 per square yard flat rate per year for main buildings and annas 14 per square yard for out-houses, godowns and the like which is equivalent to Re. 1-4-0 per hundred square feet per month and annas 13 per hundred square feet per month respectively. These figures were arrived at after considerable discussion between the Millowners' Association and the Municipality but the record of which has not been produced before me. I find a reference to these agreed rates in the commentary of Messrs. Scott and Robertson on the City of Bombay Municipal Act, 1888, at page 48. In 1913 for the first time and that too by agreement between the Municipality and the Mills the principle of contractor's theory was applied. But instead of taking the present value of the land and the present cost of construction of the building, the Municipality took the cost of land and the cost of building from the "book value" which means the original cost of land and building and further without giving any allowance for the depreciation of the building. On such cost of land the return was fixed at 4 per cent. and on that of building at 6 per cent. This arrangement lasted till 1918 when the Great War ended and the boom period commenced. By consent an addition

of 50 per cent. on the existing rateable value was imposed. The Municipality pointed out to the Millowners' Association that according to the strict theory of contractor's test not the "book value" but the "present value" should be taken into account in fixing the rateable value and the method so far adopted was unscientific and erroneous. It was also pointed out that the general rise in rentals was much above 50 per cent. In reality, however, it was the boom time for the industry which influenced the Mills to agree to the enhancement. That agreement was to continue for 5 years. In 1923 again by agreement between the parties a surcharge of 25 per cent. in addition to the 50 per cent. imposed in 1918 was added again on the basis of the "book value." This surcharge of 25 per cent. was on the book value of 150 fixed in 1918. The net increase, therefore, works out at 87 per cent. in 1923. The Municipality contended that the general increase in rentals from 1883 to 1923 was 127 per cent. This as I shall show later was an exaggerated figure—the real rise was somewhere in the vicinity of 97 per cent. This agreement was intended for another period of 5 years. The Municipality contended that these increases were due to a general rise in the market value of land and building. The period expired in 1928 in which year the assessment was fixed on the old basis and payment was made on account subject to final adjustment by agreement or by order of the Court. The Mills filed petitions in 1930 and though they were pending parties were privately negotiating for a settlement and adjournments were taken from time to time and ultimately the dispute was referred to two arbitrators, the learned counsel on each side, Mr. Bhulabhai Desai and Sir Jamshed Kanga, on an agreed formula. By this formula in order to ascertain the value of the land and the cost of the building under the contractor's theory the parties had agreed to divide the land and the buildings into three or four groups according to the situation and standard of fitness, efficiency and adaptability. Depreciation was allowed not only on account of age and condition of the buildings but on account of the condition of the textile industry. That agreed formula was a compromise of conflicting views as to valuation on the basis of contractor's theory and proceeded on a basis which can only be admitted and worked by consent of parties in private negotiations for a settlement. It was vehemently contended by Mr. Blair for the respondent up to a certain stage, that that agreed formula was binding on the Mills even to-day and that the Court was also bound by that agreed formula. It was nothing of the kind. It was an agreed formula on the basis of which parties went to arbitration. The formula may be thus binding on the arbitrators but neither the petitioners nor the Court to-day is bound by it. There are some items in this formula which the Court cannot take into account, for instance, discounting or appreciating of the rateable value on account of the condition of the textile industry. Another item is in respect of structures such as chimneys, tanks, engine-house, boiler-house which have fallen into entire disuse by reason of the advent of the electric power which were agreed to be exempted from valuation. Such an allowance is possible only in a consent arrangement. This award was binding between the parties for three years : by agreement again the effect of the award was continued for another year. This petition along with sixty others have been filed against the rateable value fixed by the respondent for the year 1933-34. The net value fixed by the respondent was on the basis of the award and it was so fixed at Rs. 1,08,333 with an allowance of 10½ per cent. for trade depression which the petitioners allege is illegal, unjust and excessive. The petitioners state that the method followed by the respondent in arriving at the rateable value on the basis of the contractor's test is contrary to and entirely inconsistent with the provisions of the City of Bombay Municipal Act. The petitioners say that the gross value should have been fixed on the basis of "the annual rent for which such land or building might reasonably be expected to let from year to year" as provided by the City of Bombay Municipal Act (Bombay Act III of 1888). The answer of the respondent to this objection is that although the language of the corresponding English Statute is in almost identical terms, contractor's test is applied by English Courts and is only a method of finding out the letting value. The petitioners retort that the English Courts now applied the contractor's theory to utility buildings which were never intended to be let out and not to profit earning industrial concerns. The petitioners further state that they have several instances of recent lettings of Mills in Bombay of like dimensions and character, and the rents agreed to be paid thereunder, after an apportionment between land and building on one hand, and machinery on the other, afford a fair and proper measure of rating of all Mills in Bombay. It is conceded by the respondent that if there are fair instances of lettings of the mills in Bombay then that is the exclusive test of comparison which must be followed and the contractor's theory cannot be resorted to. The Assessor and Collector of the Bombay Municipality agreed with this view but he, however, brushed

them aside as unreliable. Mr. Kowshik stated in his evidence that he accepted the figures of rentals given by Mr. Gadsden, a representative of the Bombay Millowners' Association ; but he felt that they could not be either correct or fair rentals as the figures given worked out even lower than the ordinary rentals for godowns in Bombay and hence he considered them unreliable. Without prejudice to these contentions the petitioners submit that in applying the contractor's theory the respondent erred in adopting annas 4-6 per cubic foot as the present cost of construction following the award. The petitioners contend that the rate is excessive. The petitioners also question the correctness of return of 5 per cent. on land and 6 per cent. on building as too high under the present conditions of the money market and mill industry. They contend that these figures were fixed at a time when the return on gilt-edge securities was high, and must be reduced in sympathy. They also object to the value put up on the land at a flat rate of Rs. 7-0 per square yard as excessive and they further submit that vacant land belonging to the mills which is not used in any way for mill purposes should be rated like other vacant lands in the city. In 1929-30 and also in 1930-31 the respondent allowed an allowance for trade depression at the rate of 20 per cent. on the net rateable value. That allowance was reduced to 15 per cent. for the next two years. For the year under appeal 1933-34 the Municipality reduced the allowance for trade depression to 10½ per cent. The mills demanded the continuance of 15 per cent. on the ground that the state of the industry had not in any way been improved. But the Municipality were advised that all mills in Bombay were working full time and some of them by double shifts. The petitioners explained that by double shifts the overhead charges were reduced and cost of production lowered to meet with Japanese competition. The Municipality, however, declined to restore the percentage of 15 per cent. being of opinion that there was a distinct revival of trade. That broke the camel's back and hence these appeals in a body.

Before the parties came to court, however, there was a lengthy correspondence between the Millowners' Association and the Municipal Commissioner for the time being. There were earnest negotiations between the parties each side pointing out its difficulties to the other. There were minute investigations of the several points involved and personal discussions at joint meetings held. It is a matter of regret that in spite of the able and skilful conduct of the negotiations carried on by the able Chairman of the Millowners' Association, Mr. Mody, on one hand, and Messrs. Dalal and Kirpalani on the other, the parties failed to reach an understanding mainly because of the divergence in views of their respective technical advisers. It is clear from these lengthy negotiations that the mills mainly objected to the determination of the rateable value at 5 per cent. on the present value of the land and 6 per cent. on the present cost of construction. The mills further protested against the total increase of 87 per cent. from 1918 to 1923. They argued that most of the mills were built in pre-war days when the cost of construction was low and so was the value of land. Similarly the mills contended that the rise of 50 per cent. in rateable value in 1918 and the further surcharge of 25 per cent. in 1923 amounting in all to 87 per cent. may have been justified and agreed to between the parties by reason of the boom in the cotton industry after the war. They argued that what with the general depression in trade and keen competition of Japan the industry has come to such a pass that a large number of mills have gone into liquidation ; some of them have been sold and many are still working at a loss and it is but equitable and fair that what was added during the boom period should be eliminated when the industry is going through a period of hard trial. At one stage Mr. Mody asked for a reduction of 40 per cent. which demand, I felt, was exceedingly fair and should have been accepted by the Municipal Commissioner. In a series of bank cases which I have decided a couple of years ago Mr. Kanga, an experienced engineer and an able municipal adviser, gave evidence to the effect that there was a reduction of 40 per cent. in rentals by 1932 from the rentals prevailing in the boom period. Even in this Appeal Mr. Kanga admitted the correctness of that statement but the Municipality had not the benefit of that advice during the negotiations and they finally fell through.

After this preliminary survey I now come to consider what according to law prevailing in the Bombay Presidency is the basis of the valuation for rating purposes. By section 154 (1) of the City of Bombay Municipal Act (Bombay Act III of 1888) the rateable value of any building or land assessable to a property tax is to be arrived at by deducting ten per cent. from "the amount of the annual rent for which such land or building might reasonably be expected to let from year to year"; the 10 per cent. deduction is to be in lieu of "all

allowance for repairs and on any other account whatever." By sub-section (2) the value of any machinery is to be left out of account. This provision in effect approximates closely to that in force in England and Wales prior to the passing of the Rate and Valuation Act, 1925, which applies outside London only. The petitioners have obtained the opinion of Mr. Konstam, an eminent authority on rating in England and the learned author and editor of *Ryde on Rating*, which is put in by consent and marked Ex. No. 52. He observes that if section 154 (1) is paraphrased its extended meaning would be as follows :—

"In order to fix the rateable value of any building or land there shall be deducted from the annual rent, which a tenant might reasonably be expected, taking one year with another, to pay, for such land or building, if the tenant undertook to pay all taxes payable by the tenant as such, and if the landlord undertook to bear the cost of the repairs and insurance and other expenses if any, necessary to maintain the hereditaments in a state to command the rent, a sum equal to ten per cent. of the said annual rent; and the said reduction shall be in lieu of all allowance for repairs, insurance or any other expenses necessary to maintain the hereditaments in a state to command the rent or on any other account whatever."

Mr. Konstam states that certain principles which have been laid down by the English Courts upon the English definitions are in his opinion equally applicable under the Bombay Act. Besides actual letting the English Courts in certain class of hereditaments have resorted to what is known as "the contractor's test" and in some instances "profit," basis, but these are only additional helps to arrive at the statutory measure of rateable value, viz., the rent at which the same might reasonably be expected to let, from year to year, free of all usual tenant's rates and taxes, and deducting therefrom the probable average annual cost of repairs, insurance and other expenses, etc., provision for which is made under the Bombay Municipal Act by deducting ten per cent. from the gross value which covers expenses and outgoings of every character. As Lord Atkinson stated in 1926 Appeal Cases at page 350 that it is no use confounding the measure with the thing to be measured. The thing to be measured is in all cases the reasonable amount which the hypothetical tenant would be willing to pay. Nothing which can be suggested as a measure of that thing can be substituted for the thing itself. With this introduction we shall now see what is the basic principle of the contractor's test and the profits test. The contractor's test according to Faraday is the method generally used for the purpose of assessment where the hereditament is only indirectly productive of profit. In certain cases such as hereditaments occupied by statutory authority like a School Board, which can make no profits the occupying body must be considered as a possible tenant and in the absence of any conceivable calculation of profit in a commercial sense it is necessary to fall back upon some other criterion of what the hypothetical rent is to be. The contractor's principle has been explained by Lord Parker as follows :—"In considering what the hypothetical tenant will pay by way of rent the company itself cannot be excluded as a possible tenant. If there are possible tenants other than the company, the annual rent must be estimated on a competitive basis, but if, as is generally the case, the company is the only possible person who would be likely to give any rent at all for the property the competitive basis is excluded. In such cases if the company is in fact paying any rent for the hereditaments in question, such rent is evidence of what the company would be willing to pay. If the company is owner as well as occupant, then, inasmuch as it is by reason of its occupation out of pocket to the extent, at least of interest on its capital expenditure in acquiring and building on the land it occupies." The amount of such interest is good evidence of what the company would be willing to pay by the year for the privilege of continuing its occupation. The same principle is laid down by Ryde on Rating. At page 236 the author states "that in some cases, and most frequently in valuing the indirectly productive portions of gas works or water works, the Courts have taken as the measure of value, or rather have regarded as evidence of value, what is commonly called 'the contractor's test,' that is the interest on cost, which a contractor would require, if he provided the land and buildings for their present occupier." Here it is pertinent to observe that the angle of vision of the landlord is different from the angle of vision of the tenant. The wording of section 154 (1) speaks that the rateable value of every building or land assessable to a property tax, is to be arrived at by deducting ten per cent. from the amount of the annual rent, for which such land or building might reasonably be expected to let, from year to year. The wording suggested to my mind that the proper view to take is not to find what the landlord may reasonably expect

to get, but the annual rent, for which such land or building might reasonably be expected to let from year to year. The same point is emphasized by Ryde on Rating. The author observes at page 236, 6th edition, "that the test must be not what the contractor would demand, but what he would be likely to get; and that the reasonable expectation of a contractor is a rough test, and some *prima facie* evidence, capable of being cut down by evidence on the other side, but not altogether to be put out of sight. With regard to the profits basis Faraday observes "that it is important still to remember that it is only evidence of a hypothetical rent." Lord Halsbury defines the position by saying that "although you can give evidence by expert testimony of what amount of business might be done, you are not at liberty in point of law to ascertain what business has been done. To go into the amounts of profits and losses as if you were finding out what a man's income is, would be absolutely irrelevant; but for the purpose of ascertaining what a tenant would be likely to give, to suggest that that is something which in point of law you have no right to inquire into, would be equally absurd." 1901 Appeal Cases 175. As far as the present appeals are concerned the contractor's test is relied upon by the respondent. But the "profits test" is relied upon by neither the respondent nor the petitioners. The Mills are industrial concerns intended for making profit. They are not public utility undertakings such as colleges, Town Hall, Water Works and the rest. The land or building in such industrial concerns will be considered with all its advantages or disadvantages including the ability to carry on a gainful trade thereon. (See per Lord Denmon, C.J., in *E. v. Grand Junction Rail Company* (1844) 4 Q.B. 18 at p. 18-43.) In industrial concerns, moreover, profit must necessarily play a great part in determining what rent the hypothetical tenant may reasonably be expected to pay. It has to be seen under the definitions what sum the tenants can annually afford to set aside, in order to obtain each year the beneficial occupation of that land or building, "the use which the tenant may expect to be able to make of the premises, the facility afforded by them for carrying on any particular trade and the nature of the trade," will be a primary consideration in fixing this sum and when this sum has been fixed in his mind, the tenant will be able to say how much of it he can pay to the landlord as rent after setting aside the rates, taxes and other duties which he will have to pay as tenant in respect of the premises. See the observations of Farwell, L.J., in *R. v. Shoreditch Assessment Committee*, 1910, 2 Q.B. 859: It is for this reason that by the definitions the rent is, *inter alia*, to be estimated on the assumption, that tenant pays usual tenant's rates and taxes, and that these do not form a deduction after arriving at the rent, like the landlord's expenditure on repairs. Put shortly, the rent that a tenant may reasonably be expected to pay is governed by the rent that he can afford to pay. It is the contention of the petitioners that there are a large number of actual instances of letting of mills in Bombay and the rates at which they are let out, although it may be comparatively low, should be accepted as the only possible evidence of rentals to the exclusion of every other theory and those rentals should be treated as fair rentals which a lessee in the textile industry can afford to pay, taking into consideration the state of the industry as a whole. The petitioners have not relied upon the "profits basis" on the ground that the textile industry has been working at a tremendous loss for a number of years and they could not argue that because there were no profits the mills could not be rated. The combined balance sheets of the mills in Bombay have been put in and they show a loss of over a crore of rupees annually for the past two or three years. A large number of mills have gone into liquidation; some of them have been actually sold at surprisingly low prices and the main attack of petitioners is therefore directed against the contractor's test, on the strength of which they have been assessed for the year under Appeal.

The main objections of the petitioners against the application of contractor's test are as follows:—

(1) In the contractor's test it is to be assumed that the land is purchased and the building is constructed at the dictation of the tenant. Mr. Kanga has admitted this assumption. This is tantamount to convert the tenant into a landlord. A landlord-tenant who invests a certain amount of capital in land or building would naturally expect to get a proper return on his investment. This theory also eliminates the possibility of competition. Further a hypothetical tenant of any particular mill will pay no attention to the marble flooring or brass railing or oil painting or in fact to the amount of cubic contents in brick and mortar. It was pointed out by Sir Ness Wadia who can be treated as an expert in the mill industry that the massive structure of a mill building makes no difference in the working of

the mill. It may have a longer life. He stated that originally the process was to construct the building and then to order out machinery to fit the load the building would bear. The process has now been reversed. He says that the building is now constructed round the machinery. Sir Ness Wadia strongly objected to the method of taking the cubic feet contents as it introduced a new element of height. Cubic contents, he said, vary by difference in height and width of the walls. The average height in the main buildings of mills in Bombay is 13 to 14 feet. Anything over that is a surplussage. Experience has taught the millowners that even this height of 13 to 14 feet is not necessary. In Spring Mill the height is 13 feet 9 inches and in Pearl Mill (now sold and renamed 'Madhusudan') which is a model mill the height is only 12 feet and Sir Ness added that this lowest height of 12 feet was found in practice best for driving and humidification. Sir Ness has no hesitation in saying that so far as the working of the mills is concerned it is the floor area that counts, to accommodate the machinery apart from and irrespective of the height and the width of the walls. Mr. William Frederick Webb, the Superintending Engineer of E. D. Sassoon and Co., Ltd., who has been in their service for the last 20 years and as Superintending Engineer for the last 11 years, gave evidence to the effect that the only thing necessary for a proper working of the mills is to have a structure fit to protect the machinery from the elements and strong enough to bear the pressure and vibration of the machinery. The Meyer Sassoon Mills were built at a time when money was cheap and the buildings are far more massive than necessary for mill purposes. Mr. Amubhai Mulchand Mehta, who has 31 years' experience of the mill industry at Ahmedabad and a few years in Bombay, stated in his evidence that some of the mills like Madhavji Scindia and Mathuradas Mills are more massive than what is required by the Municipal Building Regulations. Instead of pressure of 2½ cwt. per square foot which the Municipal Regulations require, these mills can bear the pressure of 5 cwt. per square foot. Under the contractor's test you have to calculate the present cost of construction of a similar building adapted to present circumstances. If it is found by experience that old mills were excessively massive or that the height of the walls was unnecessarily high, deductions will have to be made to harmonize the structure to the present-day needs and requirements. This by itself would need the close examination and scrutiny of each and every mill built in the city and would raise questions of such complexity as to render the task well nigh impossible.

(2) The next objection to the contractor's test is with regard to the present cost of construction. According to Sir Ness Wadia, the pre-war cost was 2½ annas per cubic foot which rose during the war and the boom period to annas 5—9 and which came down during the depression 1923 onwards to annas 3—4 or annas 3—3½ per cubic foot. These rates according to him were for the main buildings. For loom sheds the rate would be less by 3 pies or so and for godowns it would be much cheaper. Mr. Webb in his evidence relied upon instances of actual cost of construction in the Turkey Red Dye Works which works out at annas 2.19 per cubic foot, Exhibit A3, plan 25. It must be remembered that the walls were old and there was no foundation. The next instance of bleaching department of Turkey Red Dye Works which works out at annas 2.24 per cubic foot, Exhibit A4, plan 26, and the third instance is of Grey Turkey Dye which works out at annas 2.55 per cubic foot, Exhibit A5, plan 27. Here the east wall is low and there are no foundations for the north wall. Two more instances were cited of work done departmentally, first an extension of the Finishing Department of Apollo Mill, which works out at annas 2.28 per cubic foot, plan 28 and second West Shed Meyer Sassoon Mills which works out at annas 2.63, plan 29. The Municipality however demanded a flat rate of annas 4—6 on the basis of the award which according to Sir Ness is too high. Voluminous evidence was led on the point of cost of construction by engineers on both sides. A large number of detailed statements was prepared from time to time and submitted to Court for examination. Detailed statements of cost of construction of Pearl Mill and Spring Mills have been prepared on either side. They are marked A57, A58, and Exhibit Nos. 66 and 65. The petitioners have prepared those statements at the suggestion of the Court but they do not accept either the value of land at Rs. 7 per square yard or the return on it at five per cent. They further exclude from the calculation the Sprinklers, Humidifiers, Fire Appliances, and electric installations, and foundations for machinery which the respondent's Engineer would treat as part and parcel of the building itself. I shall take only one instance, that of the Pearl Mill. Normal value, net rate per 100 square feet per month comes to Rs. 4.06. The floor area is 328,549 square feet. The rental value per month thus works out at Rs. 15,752 for building and Rs. 30,000 at the ratio of one-third and two-third as rental for machinery. The total rent would thus come to

Rs. 45,000. The yearly rent would thus become Rs. 5,40,000. The Pearl Mill went into liquidation and was sold for Rs. 13,00,000 as a working concern. I shall divide the price roughly at eight lacs for machinery and four lacs for land and building. The yearly rent at the rate of Rs. 15,000 per month would come to Rs. 1,80,000, whereas if you calculate 6 per cent. interest on a capital value of four lacs for land and building the return per year would only be Rs. 24,000. Even if you take thirteen lacs for land and building alone, leaving machinery out of account and take the return at 6 per cent., it would come to Rs. 78,000 per month which works out at Rs. 2 per 100 square feet. If we look into Kanga's statement II of Pearl Mill, p. 2, Exhibit 66, he works out the gross rent per month at Rs. 18,000. Multiply that by 12, the gross rent would come to Rs. 2,16,000 per year, which works out at 20 per cent. return on thirteen lacs, the price at which the Pearl Mill has been sold. The petitioners submit that these figures show the absurdity of relying upon the contractor's test. It is contended by the petitioners that the flat rate demanded by the Municipality at annas 4—6 per cubic foot on the basis of the award is too high, and even the rate mentioned by Sir Ness Wadia, viz., annas 3—4 per cubic foot, would work great injustice to most of the mills which were built in pre-war days, at a comparatively low cost of construction.

(3) The same argument applies according to petitioners to the present cost of land. Mills, they say, were constructed mostly in Northern part of the island which was then undeveloped and when land was exceedingly cheap and sold as agricultural land at ten to twelve annas per square yard. During the course of last 50 years the city has developed to such an extent, that it is practically extended to the Salsette Islands and land which was originally purchased for a nominal value, has now appreciated to an enormous extent and that is why in 1918 and even in 1923 although the rateable value was roundly increased by the respondent by an addition of 50 per cent. and a further surcharge of 25 per cent., the basis of value of land was the "book value," viz., the original cost of land. Both sides have led evidence of instances of sales of land to mills. On the strength of that evidence led by the respondent he contends that if cost of land is taken at a flat rate of Rs. 7 per square yard, it would be a fair valuation for the whole mill industry in the city of Bombay. All I can say is that this rate will work favourably to mills who have purchased additional land since 1916 but will work great hardship on mills whose purchases are prior to that date. This again illustrates the great inconvenience of adopting a flat rate for cost of land for the mill industry. To avoid this injustice it was suggested by the respondent and his advisers that there should be a classification of mills and the rates should vary from Rs. 3 to Rs. 10 per square yard. This suggestion, however, militates against the principle of the contractor's test which requires the present cost of land to be taken into account. The present market rate of land round about the mill area varies from Rs. 8 to Rs. 10 per square yard. But those are small building plots, developed by the Improvement Trust or by the Municipality at a heavy cost for constructing roads, drainage and lighting. Land with a potentiality of development into building plots cannot be compared with stretches of land covering thousands of square yards required for mill user. It is further contended by the petitioners that the land which is not in actual use should be treated as vacant land and not on a footing of equality with land required for mill user.

(4) There is another drawback to the application of this contractor's test. In Mr. Konstam's opinion it is not correct to say that the method of taking a percentage on cost of construction is a recognized principle. The method referred to is that of taking a percentage on "effective capital value." It is not the present cost of construction of the building as it stands but the cost of construction of one of a kind best adapted to the needs of the industry with modern equipments. With modern machinery much less space is required and it is estimated that 40 per cent. of the floor area in most of the mills in Bombay will lie idle if modern machinery is installed. Faraday at p. 79 gives a negative definition of "effective capital" and states that these negative instances are sufficient to illustrate the difficulty of defining "effective capital value." It is submitted that the substantive definition of this expression is "the selling price between a seller and a willing purchaser of the property in question, subject to the restriction that it can only be occupied substantially in its present condition"; this takes into consideration all the above qualifications but it will be observed that it is then no easier to assess the figure than to arrive at the rental value direct. Sir Ness Wadia in his evidence stated that most of the mills in Bombay are old fashioned and ill-adapted to the modern machinery except perhaps the Pearl Mill which is considered to be a

model mill. Experience has taught the millowners of improved method of construction and the lay-out suited to modern machinery. In order therefore to find the "effective capital value" of old fashioned mills in Bombay minute and intricate calculations will have to be made with regard to each mill in respect of the allowance to be made for adaptability. The enquiry would be so taxing that I doubt if any two engineers would be able satisfactorily to carry out any general instructions the Court may give.

(5) Above all the contractor's test presents to my mind an insuperable difficulty. It eliminates and negatives the essential principle of rating, viz., "the user." By this theory residences, shops, factories, mills, banks are all levelled and rolled into one measure of cubic contents. In Ryde on Rating, 6th edition, p. 236-37, it is observed as follows:—"The changes in value of money and the great increases in structural values that have taken place since the war, have rendered it impossible to say that the rates of returns are now generally accepted at 4 per cent. and 5 per cent. on land and buildings respectively. Indeed, the effect of those changes has somewhat deterred valuers, assessment committees, and courts of quarter sessions from applying the contractor's test in cases where other evidence of value is available." The same view is taken by Mr. Konstam in his opinion, where he states that in practice and in accordance with the rules the actual circumstances prevailing at the time of valuation are looked at, very heavy reductions have been made by assessment committees and courts of quarter sessions in England, in the last few years in the valuation of all kinds of industrial undertakings. This has especially been the case in connection with cotton mills and with iron and steel works, on account of the depressed condition of those trades. Mr. Konstam further observes "that the method of valuation by a contractor's test was no doubt applied to manufactories, warehouses, railway hotels, etc., but since the war its use has been greatly restricted in practice, owing to the enormous inflation of building costs. This inflation makes it extremely difficult to say that a rent, which a tenant might be expected to give bears any relation to structural value at present-day prices; and the problem is always to ascertain that rent and the contractor's test being merely one method of doing so." It is conceded even by the respondent that where there are instances of comparable lettings then that is the best piece of evidence to rely upon and in such cases the contractor's test cannot be resorted to. The petitioners contend that they have got several instances where mills have been actually let to tenants by formal documents in recent years which will serve as a guide to determine the amount of the annual rent for which such land or building might reasonably be expected to let from year to year.

I shall now proceed to consider the several instances given by the mills:—

(1) The first instance cited is that of the Bombay Industrial Mill. This Mill was left idle since 1929 and is a quarter of a mile away from the Meyer Sassoon Mills. It is let out in two parts. The first lessee is the New Great Eastern S. & W. Co. (1934). The portion let out to the lessee is a weaving shed with machinery. Total area 46,665 square feet. Rent Rs. 1,500 a month. Value of machinery Rs. 1,66,000. If the rent is apportioned at 40 per cent. for land and building and 60 per cent. for machinery it works out at Re. 1-1-0 per 100 square feet. The other part is let to another lessee, viz.: Empire Dyeing and Manufacturing Co. (1934). Total area 75,333 square feet. Rent Rs. 2,000 per month. Value of machinery one lac, works out at Re. 1-12-0 per 100 square feet. A godown No. 21 is separately let at Rs. 60 per month. Area 5,201 square feet works out at Re. 1-2-0 per hundred square feet.

(2) The next instance is of Madhavrao Scindia Mills which went into liquidation in or about 1928. The Trustees of the Debenture-holders took possession and gave a lease with machinery for 2 years in 1931 to lessee Visveshwer Gangaram, Raghavji Purshottam and others. Total floor area 258,325 square feet building with machinery. Rent Rs. 78,000 per year plus $\frac{1}{2}$ share of profit and loss. If the rent is apportioned as $\frac{1}{2}$ for building and $\frac{1}{2}$ for machinery it works out at Re. 1-6-0 per 100 square feet. The balance sheet ending 1931 shows no profit but loss of Rs. 4,242. Balance sheet for 1932 shows no profit but loss of Rs. 63,000. Balance sheet of 11 months ending 30th November 1933, shows no profits but loss of Rs. 1,15,000.

(3) The next instance is that of Mathuradas Mills. This mill was also in liquidation since 1929. The liquidators kept it idle. The Trustees of the Debenture-holders got possession in June or July 1931 and gave a lease for 2 years to Raghavji Purshottam in August 1931. It was a lease for mill with machinery. Total floor area 294,156 square feet. Rent Rs. 84,000 per year, half share in net profit, tenant to pay taxes and do repairs. If the rent is apportioned at $\frac{1}{3}$ for building and $\frac{2}{3}$ for machinery it works out at Re. 1-3-0 per 100 square feet. In the first year the mill showed a profit of Rs. 44,651. Balance sheet ending July 1933 showed a loss of Rs. 78,632.

(4) The next instance was that of Jamshed Mills. The Mills borrowed Rupees ten lacs on Debentures. The mill was worked but there was no profit and ultimately it stopped working in 1930. In 1932 the mill went into liquidation. Trustees of Debenture-holders entered into possession and in June 1932 gave a lease commencing from 1st of July 1932 to Chunibhai Manilal. Total area 137,556 square feet. Rent Rs. 51,000 per year including machinery. Taxes to be paid by tenant and half insurance premium. Lessee worked the mill for one year. The lessee had deposited Rs.12,000 out of a total rent of Rs. 51,000. The lessee paid Rs. 42,500 as rent but failed to pay taxes and insurance and the trustees filed a suit for compensation in the High Court. There was a decree for Rs. 17,000. No further recoveries were made from the lessee who was subsequently adjudged an insolvent. If the apportionment is taken at 40 per cent. for land and building and 60 per cent. for machinery it works out at Re. 1-6-0 per 100 square feet. A second lease of the same mills was given in September 1933, for one year to Narayen Yeswant and two others. This was a concern of Labour Union men, who raised shares from among the mill labourers. Rent was fixed at Rs. 4,250 per month plus taxes and insurance, works out at Re. 1-6-0 per 100 square feet. The lessee worked the mill till March 1934. Suit was filed in the High Court for rent and a decree was obtained and the lessee was ejected. The third letting of the same mills was to K. A. Ranchhodas & Co., who were the financiers of the second lessee, but there was no written lease and correspondence regarding it is missing. This lessee recovered his own moneys and then gave notice and vacated.

(5) The next instance cited was that of Manekji Petit Mills. The Mills were sold by the liquidators except bleaching house. It was a separately owned concern and was leased to Dinshaw Manekji Bharucha, in July 1933, for one year certain and one year's option with machinery worth Rs. 1,25,000. Floor area 50,271 square feet. Rent Rs. 1,000 plus Rs. 120 for taxes and insurance plus Rs. 350 per month for repairs to the engines, plus Rs. 50 per month towards cost of supervision. In the bleaching house no doubt, there was heavy machinery but the machines were few and Mr. Mehta, the mechanical engineer of Manekji Petit Mills, deposed to the fact that the proper apportionment in this instance between land and building on one hand and machinery on the other would be half and half. Calculating on that basis, it works out at Re. 1-5-0 per 100 square feet.

(6) The next instance cited by the petitioners was that of Raja Bahadur Motilal Mills. It was originally a proprietary concern converted into a joint stock company in 1926. Conveyance to Joint Stock Company was executed in March 1926 by the Receiver. Floor area 73,825 square feet. Mill stopped working since 1923 owing to trade depression. Value of land and building 4 lacs. Machinery 11 lacs. In 1926 the Company tried to work the mill, thereafter attempted to let it but the agreement fell through, machinery was scrapped in 1932 and sold for Rs. 27,500. Land and building was then let out to a Cinema Film Company, in January 1934, for 4 years. Monthly rent Rs. 1,200 plus water tax, works out at Re. 1-9-0 per 100 square feet though it is to be noted that the user is quite different.

(7) The last instance cited by the petitioners is Assur Virji Mills. The last issue of debenture was in 1923. Trustees of the debenture-holders took possession of the mills in 1931. Mill went into liquidation in 1933. Mill was let out with machinery from December 1933 to R. Purshottamdas and Co. Floor area 233,192 square feet, machinery in good condition. Rent Rs. 4,000 per year plus taxes and insurance which came to Rs. 480 per month—works out at annas 12 per 100 square feet. This mill was valued at 13 lacs, insured for 10 lacs and the trustees have now agreed to sell the whole concern to Raja Dhanrajgirji Nursingirji for 5 lacs for land, building, and machinery, lock, stock and barrel. The mill was once put to auction. The reserved bid of 7 lacs was not reached and highest bid was

less than 4 lacs. This affords a remarkable instance how the cubic contents and their present cost of construction have no relation to either its market value or letting value. Another instance pointing in the same direction was brought to my notice in the course of the argument. It related to the sale of the Pearl Mills, a modern well equipped mill of the Currimbhoy group, which was valued at Rs. 60,00,000 but was recently sold for Rs. 13,00,000.

The respondent in his turn relied on the rentals realised for Port Trust godowns at Carnac Bunder, Wadia Charity godowns at Sewri, Akbar Manufacturing Co. at Carnac Bridge and Hirji Govindji's godowns at Sewri.

(1) The rice godowns at Carnac Bunder belonging to the Port Trust fetched Rs. 100 per month, size 171 square yards ; works out Rs. 6-8-0 per 100 square feet per month.

(2) The grain godowns at Carnac Bunder fetch the same rentals for godowns 111 square yards each which works out at Rs. 10 per 100 square feet per month. There are 210 such godowns for storing grain of which 30 are vacant.

(3) There is a series of 14 Port Trust godowns built to the order of Messrs. Ralli Brothers, capacity 1,000 square feet each with mazenine floor in each, rent Rs. 100 per month; works out at Rs. 10 per 100 square feet.

(4) A few godowns of Port Trust let out to different tenants for storing machinery. Area varies from 1,152 to 1,500 square feet, rents vary from Rs. 81 to Rs. 108 per month, works out at Rs. 7-2-0 to Rs. 7-8-0 per 100 square feet ; 210 godowns, 30 vacant.

(5) Next come the godowns of Wadia Charities at Sewri. Plan provides for 32 godowns. 21 are put out of which 6 are vacant. These godowns are built for storing cotton bales. These are situated at Sewri, which is the centre of the cotton trade and are fireproof godowns, height of each is 18 to 20 feet and each godown accommodates 4,000 cotton bales. These godowns are specially built with roads on both sides with two doors on each side to each godown and the latest of them numbered 29,30,31 cost no less than Rs. 25,000 each. The area of each godown is a little over 4,000 square feet and the rent realised per year is Rs. 3,500 each which works out at Rs. 7 per 100 square feet per month. During the boom time the rent of each godown was Rs. 4,500 to Rs. 5,000 per godown.

(6) The godowns belonging to Akbar Manufacturing Co. at Carnac Bunder are nine in number. They are meant for rice storage—area 1,422 square feet—rent Rs. 125 works out at Rs. 8-8-0 per month per 100 square feet. They are situated at Carnac Bunder very close to the docks. The lessees are wholesale exporters of rice and the proximity of the docks enhances their value.

(7) The last instance relied upon by the respondent is of 7 godowns belonging to Hirji Govindji at Sewri. They are approximately of the same size all let to Ralli Brothers, total area 56,340 square feet, rent Rs. 240 per godown, works out at Rs.6-4-0 per month per 100 square feet. The capacity of each godown is 3,500 to 4,000 bales of cotton.

Apart from these instances the respondent also relies upon the rentals of two godowns each belonging to the Manekji Petit Mills which are situate across the road, area of one being 4,600 square feet which works out at Rs. 3-8-0 per 100 square feet and the area of the other is 2,600 square feet works out at Rs. 4-4-0 per 100 square feet. Although they were godowns attached to the Manekji Petit Mills the present user is not that of a mill godown. As against these two instances the petitioners rely upon a godown attached to the Bombay Industrial which is separately let, the area being 5,201 square feet at a rental of Rs. 60 per month which works out at Rs. 1-2-0 per 100 square feet.

I have summarised the evidence of instances of actual lettings given on both sides. The Assessor and Collector of the Bombay Municipality declined to consider the instances cited by the petitioners on the ground that they were unreliable. He considered them as unreliable because the rentals in instances of mill lettings were far below the ordinary godown rents in the City of Bombay but Mr. Kowshik, the Assessor and Collector of Bombay

Municipality, in his evidence has admitted that ordinary godowns for business purposes cannot be compared to mills as store houses for machinery. It was Mr. Kanga who contended that the minimum rent that should be fixed for the mill premises could not be less than the ordinary godown rent. It is conceded that if the mills are closed on account of strike or depression in trade the mill building should be deemed to be a store house for machinery. Mr. Kanga contended on the strength of this proposition that the mills could have no grievance if they are treated as warehouses for storing mill machinery. He further contended that in apportioning the rent between land and building on one hand and the machinery on the other, in the instances cited by the petitioners, the lessees of mills treated the land and building as negligible. He stated that their only thought was to calculate the probable return by reason of the use of machinery and the ratio of 40 per cent. and 60 per cent. never entered their minds and practically the whole of the rent they agreed to pay was in consideration of the use of mill machinery. This is an *ipse dixit* which cannot be easily accepted. The petitioners on the other hand argued that the state of the mill industry in the City of Bombay was such that the user of the mill premises as such had depreciated in value and as the "user" is the guiding principle of rating or fixing the rental value the state of the cotton industry necessarily reflects on the rentals of the mill premises. As an illustration I may mention that in the series of Bank cases which I tried a couple of years ago the Banks had argued that if the adjoining premises of like dimensions and amenities were occupied, one by an ordinary shop, and the other by a bank, there was no reason to discriminate between the two and the rents realized for ordinary shop should be taken as a fair guide for determining the rentals for the adjoining building in which the bank was located. Mr. Kanga for the respondent demurred to that proposition on the ground that it was the "user" which fixes the return. He stated that the banks were rated on a higher scale because *they could afford to pay higher rent* and if a bank wanted to establish itself in a particular locality, it would outbid any other tenant and take up the premises which it desires. The Court then accepted Mr. Kanga's views. It is now the petitioners' turn to adopt Mr. Kanga's line of argument as against the respondent and argue that the user of mill premises as mills militates against the realization of rentals as compared to other users simply because owing to continued depression in trade the lessees of mills cannot afford to pay a higher rent. The argument of the petitioners sounds logical. (See the observations of Farwell, L.J., in Shoreditch Assessment Committee, 1910, 2 Q.B. 859, quoted in the earlier part of the judgment.) Apart from this effective criticism the petitioners further point out that the instances cited by the respondent are no doubt of godowns but they are godowns of a commercial nature. They are specially built with cement and concrete with an exit or two in front and in the rear with access to parallel roads. These godowns can be utilized in storing goods right up to the top of the ceiling which is not possible in a mill, where one machine cannot be stored on the top of the other and the rentals of godowns relied upon by the respondent is also affected by their vicinity to the trade centres or to the docks or the Cotton Green. Some of these godowns are made fireproof and some of them are built to the dictation of the lessees. These commercial godowns are of a limited size as compared to the vast areas of thousands of square feet required for the mill user. The petitioners therefore argue that these godowns for reasons stated could not be compared with mill premises because in mills it is only the floor area that can be utilized whereas in the commercially built godowns all the cubic contents of the godowns could be utilized. The petitioners therefore argue that the use of the expression "godown" with relation to mills is misleading and that the ordinary commercial godowns, their user being different, cannot be taken as a guide in fixing the rental of the mill premises as store houses for machinery.

This is a fair summary of arguments on either side with regard to the instances of lettings relied upon by both parties. I appreciate the force of the petitioners' line of reasoning already summed up by me that due to the continued depression in the textile industry, the lessees in the instances cited by them could not afford to pay a higher rent. I agree that these instances of mill lettings were between willing lessors and willing lessees on business principles. I also demur to the proposition stated by Mr. Kanga that these lessees treated the land and building as negligible and paid only for the use of the machinery. Still I feel that the instances relied upon by the petitioners are instances of forced leases in the sense that the mills were not working when leases were given. In most of these instances the mills had stopped working and gone into liquidation and the trustees of the debenture-holders obtained possession of the premises and their only object in granting leases was to recoup

themselves to the extent of their debenture claims and their mind was not so much influenced by the net capital (land, building and machinery included), invested in the mills. The debenture-holders were the creditors. There was no community of interest between the shareholders and the debenture-holders. There was a conflict of interest between them and there would be some difference in the return which debenture-holders as creditors would demand and what the shareholders as the owners of a mill would demand or expect. No doubt, the owner may demand or expect a good deal but for circumstances over which he has no control he may not get. If this is the view I take of the instances cited by the petitioners I am equally of opinion that the instances relied upon by the respondent are of comparatively small sized commercial godowns specially built for the user of ordinary storage of goods with its added advantages of vicinity to business centres or the docks, all of which contribute to give them a higher rental value than what could be expected from huge floor areas meant only for the lay out of the machinery. I have therefore come to the conclusion that if the instances relied upon by the petitioners are below the mark those cited and relied upon by the respondent overhit the mark. The delicate question for me is to decide the golden mean. Although I do not propose to weigh this issue in golden scales, it would not be fair to either side to fix the rental value by any arbitrary method. I therefore propose to discuss the evidence led by the petitioners and the respondent to show the extent of the general increase in rateable value from 1883-84 to 1932-33 due to the rise in rentals.

In giving the history of the Municipal assessment from 1883 onwards I have pointed out the various changes in the method of valuation followed by the Bombay Municipality. In 1918 which was the commencement of the boom period, the Bombay Municipality imposed an all-round increase in the rateable value of 50 per cent. on the 'book value' and after 5 years in 1923 they imposed a surcharge of 25 per cent. Although these impositions as I have stated were by agreement of parties, the net result of this increase was 87 per cent. on the rateable value of 1883-84. This increase of 87 per cent. was sought to be justified on the ground that the total rise in rentals in the city of Bombay from 1883-84 down to 1923 was 127 per cent. This figure was given to me by Mr. Kanga in his evidence but he frankly stated that it was based on figures supplied to him by the Assessment Department of the Bombay Municipality. I accepted the figure while the case was proceeding. When I tried to examine the details on which this percentage of 127 per cent. was based I discovered that the administration reports for the years 1883 to 1886 showed that the abnormal increase in the rateable value within those 3 or 4 years was due to the fact that in the regime of the town council a large number of house properties were not entered on the ward registers and as a result of which they escaped assessment. Between the years 1883 and 1886 the Bombay Municipality seemed to have made special efforts to see that every property in Bombay was brought to registration and assessed at its proper value. The headings given in the Administration Reports 1883-86 to the figures of rateable value show that the abnormal increase in the rateable value was due to the fact that a large number of properties that had escaped attention were roped in and brought to assessment. I find that within those 3 or 4 years the rateable value of properties in Bombay was increased by nearly ten lacs of rupees. That does not represent the increased rentals but increased number of properties brought to assessment by tightening the grip. Mr. Blair for respondent with his usual fairness admitted that that was so and in the course of the argument he conceded that the increase between 1883 and 1886 should be discarded and the percentage of increases in rentals should be calculated as from 1890 and on that basis the increase in rentals from 1890 to 1913 is not 127 per cent. but only 97 per cent. This increase in itself was still further affected in subsequent years by the Great War, so as to invite the interference by legislature in the shape of the Rent Act of 1918. The next stage in the rise in the rentals is from 1913 to 1932. Mr. Kanga for the respondent stated in his evidence that the net increase in rentals between 1913 and 1932 was 70 per cent. as a rough estimate. The net increase as shown by the Municipal records produced by a clerk in the Assessment Department showed an increase of 92 per cent. I was under the impression that this increase of 92 per cent. was to a certain extent due to the tremendous activity in building operations during the boom period and even up to the present day. Ever since the boom period the large undeveloped tracts of land particularly in the North of Bombay have been developed and utilized for building purposes both by private individuals and public bodies such as the Improvement Trust and the Bombay Development Department. In course of the argument

I examined Mr. Rangneker of the Assessment Department, who, however, stated in his evidence that in calculating the increased rateable value between 1913 and 1932 the Municipality had confined their calculations to the buildings that existed in 1913 and the newly constructed buildings since the boom period were excluded. This figure of increase of 92 per cent. since 1913 appears to me to be exaggerated, as the rents were controlled during the greater part of the period. I may add that I had selected one property, viz., *San Sausi*, which was the residence of the Sassoons in a locality close to the Mill area and which was once considered to be fashionable quarters. That property was purchased by Dr. Masina for his hospital and I called for the figures of rateable value of that property as fixed by the Bombay Municipality from 1883-84 down to 1932-33 and I find that the total increase in the rateable value was only 85 per cent.

The respondent also submitted two statements of various properties from different wards to show the increase in rateable value during the period from 1886-87 to 1932-33. That shows roughly an increase of 300 per cent. The petitioners on the other hand rely upon the increase in the assessment as given out in various Administration Reports as far as the mill industry is concerned. In 1913, the original method of fixing the rateable value was changed and instead of taking the letting value at a flat rate of Re. 1-6-3 per square yard for land and building and annas 14 per square yard for outhouses, godowns, etc., four per cent. return on cost of land and six per cent. on building upon the 'book value' was substituted. The net result of this change according to the Municipal Commissioner's report of 1912 was an increase of 71 per cent. over the rateable value of 1883-84. In 1918, 50 per cent. was added and in 1923 a surcharge of 25 per cent. was imposed. Thus what was 100 in 1883-84 became 171 in 1913 and what was 171 in 1913 became 256 in 1918, by addition of 50 per cent. and what was 256 in 1918 became 320 in 1923 by surcharge of 25 per cent. If 40 per cent. reduction is allowed over 320, which indicated the height of the boom period, 320 would be reduced to 192, in other words a total rise of 92 per cent. only, a figure which closely approximates to the total increase of 85 per cent. of *Sans Sausi* from 1883-84 to 1932-33. According to the statements prepared by the respondent with regard to different residential properties in different wards the net increase is a little over 300 per cent., whereas the net increase on mill industry is in the vicinity of 100 per cent., to take a round figure. This difference the petitioners contend is due to the difference in user. The population in Bombay rose so rapidly that since the war the supply of homes fell short of the demand and the landlords exploited the necessities of the tenant population to such an extent as to justify the forfeiture of property rights by restriction of rents by the legislature in 1918. On the other hand the petitioners lay emphasis on the fact that no new mill was constructed in Bombay since the boom period and after the crash several mills have stopped working, some gone into liquidation and ultimately sold as scrap. The petitioners, therefore, contend that the "measure should not be confounded with the thing to be measured" and due effect should be given to the principle of "user" and all the circumstances attending that user. On the strength of Mr. Konstam's opinion and the positive evidence of Mr. Kanga, the respondent's engineer and adviser, the petitioners therefore claim a reduction of 40 per cent. on the net increase of 320 which works out at 192 or 92 per cent. over the rate fixed in 1883-84 or 100 per cent. to take a round figure to facilitate the calculations. On the basis of the figures fixed by consent of parties in 1883-84, this works out at Rs. 2-8-0 per 100 square feet for the main buildings and Re. 1-10-0 per 100 square feet for sheds, godowns, etc. As against this the respondent submits that though no new mills have been constructed since the war the balance sheet of the mills in Bombay show that additions and extensions were made to the existing buildings, at a cost of 4 to 5 crores during the boom period. This cannot be denied and it must be conceded that a part of the increase in rateable value in 1923, the height of the boom period, was due to additions and extensions to the existing buildings and not by reason of 87 per cent. increase alone between 1918 and 1923. I concede some concession is due to the respondent on this count. If you take the figure on which the tax was calculated before the addition of 25 per cent. surcharge in 1932, viz., Rs. 76,000, the flat rate works out at Rs. 2-8-0 per 100 square feet which is equivalent to Rs. 3 for main buildings, and Re. 1-15-0 for sheds, godowns per 100 square feet. During the height of the boom period 1923-26 the highest net rateable value was Rs. 1,07,820 and for the year under Appeal, 1933-34, it is put down at Rs. 1,08,332. I find that the petitioners make out a clear case for relief. On a careful consideration of the evidence I think I will be doing substantial justice between the parties if I fix the gross

annual letting value at the rate of Rs. 3 per month per 100 square feet for the main building and at Rs. 2 per month per 100 square feet for sheds, godowns, and the like, which scale will also apply to mills which have stopped working owing to depression in trade. This will be gross rental subject to statutory deduction of 10 per cent. Each side to bear its own costs.

(Sd.) A. A. C.
17-6-35.

(Certified true copy.)

Copy of letter No. 2112/29, dated 29th August 1935, from the Chairman of the Association to the Municipal Commissioner.

With reference to our discussions the other day on the question of mill assessments, I set forth below our interpretation of Mr. Chitre's Judgment.

The Judgment fixes the "gross" letting value at the rate of "Rs. 3 per month per 100 square feet for the main building and at Rs. 2 per month per 100 square feet for sheds, godowns and the like," and adds "which scale will also apply to mills which have stopped working owing to depression in trade." The points which, to our mind, arise out of the decision are :—

- (a) What is meant by the term "gross," and what deductions are permissible from the gross letting values in arriving at the net rateable value ?
- (b) What constitutes "main building" ?
- (c) What the Judge had exactly in mind when he said "which scale will also apply to mills which have stopped working owing to depression in trade" ?

With regard to (a), we hold that the "gross" letting values fixed by the Judge are subject to a deduction for tenants' taxes over and above the statutory deduction of 10 per cent. specified in Section 154 (1) of the City of Bombay Municipal Act. In this connection it might be pointed out that the instances of letting values placed by both sides before the Court were either "gross" letting values inclusive of tenants' taxes and statutory allowance of 10 per cent., or were converted on that basis.

It may also be pointed out that the typed Judgment originally brought to the Court and read out by Mr. Chitre finished with the word "trade," at the end of the third line from the bottom of page 16 of the printed copy of the Judgment. Mr. Davar, it would appear, immediately asked the Court whether the letting value was "gross" or "net," and the words "This will be gross rental subject to the statutory deduction of 10 per cent." were added. If the Judge had only the statutory deduction in mind, there was no need for him to mention it in the Judgment, or if he desired to make it clear that we were entitled only to a deduction of 10 per cent., I think, he could have done so by inserting the word "only" in the sentence which was added at the instance of Mr. Davar.

Apart from the admissible deductions from the "gross" letting values, the figure of Rs. 2 mentioned in connection with sheds, godowns and the like, requires correction. The Acting Secretary of the Association was present in the Court when the Judgment was read out, and in connection with the figure of Rs. 2 it would appear Mr. Chitre made it clear that he had not correctly worked it out, but that his intention was to maintain the ratio which was introduced in the 1883 agreement, between the rental value of buildings and the rental value of godowns. It appears that Mr. Chitre also expressed his willingness to correct the figure mentioned in the Judgment if it was found to be mathematically wrong. I have worked out the gross letting value on the basis of the 1883 ratio, and find that the figure should be a little less than Re. 1-14-6 per 100 square feet. Mr. Blair and certain officers of the Municipality, who were present in the Court on the occasion, would be in a position

to confirm the explanation given by Mr. Chitre in connection with the letting values of godowns and sheds, and we, therefore, consider that a reference to the Court for a correction of this figure could be avoided by mutual agreement with the Municipality.

With regard to (b), the Judgment fixes a letting value of Rs. 3 "gross" for "main building." As to what constitutes "main building" has nowhere been defined in the Judgment. But on going through the evidence submitted to the Court at various stages of the hearing, I find that two types of buildings were mentioned—buildings with machinery and buildings without machinery. It would, therefore, appear that what the Judge had in mind was that buildings, departments or parts of departments in which any processes connected with the actual manufacture of cloth and yarn are carried on should come in under the higher rate and that all others should come under the lower rate of assessment. The 1883 compromise between the Municipality and the Association which introduced the principle of assessment on a letting value basis recognizes this differentiation, for, I find that "out-houses, godowns and other buildings attached to or appertinent to main mill buildings" were under that agreement assessed under a lower rate than was applicable to main mill buildings. It is, therefore, our considered view that the same principle should be followed, and that to avoid any misunderstanding whatsoever in the future, buildings, departments or parts of departments which should be assessed at the different scales mentioned by the Court, should be laid down for the guidance of mills and the assessment staff. We have accordingly drawn up the following list :—

Lower Rate.

The following departments or parts of departments may be permitted under the lower rate :—

Store Rooms.
 Godowns.
 Stamping, Bundling and Baling Rooms.
 Mechanics Shop.
 Smithy.
 Carpentry.
 Power House.
 Dynamo House.
 Engine House and Boiler House
 (working).
 Pump Room.
 Humidifier Room.
 Transformer Room.
 Indicator Room.
 Switch Board Room.
 Motor Room.
 Tiffin Room.
 Rest Room.
 Canteen and Hostels.
 Dining Sheds.
 Welfare Institutes.
 Office Room.
 Manager's Room.
 Time keeper's Office.
 Out-houses.
 Preparing Room.
 Weft Cellar.
 Conditioning Cellar.
 Hoist.
 Weigh Bridge Office.
 Gangways and Staircases.

Higher Rate.

The following departments or parts of departments may be permitted under the higher rate :—

Mixing Room (where Mixing and Blow
 Rooms are in the same Department).
 Blow Room.
 Card Room.
 Frames Department.
 Spinning Department, Weaving
 Department.
 Finishing and Calendering Department.
 Sizing Department.
 Winding, Warping and Beaming
 Department.
 Reeling Department.
 Folding Department.
 *Dyeing Department.
 *Bleaching Department.

* Note :—I have included bleaching and dyeing departments in the list under the higher rates. The intention is only to bring in such bleaching and dyeing departments of mills as are doing machine-bleaching or dyeing; where hand-bleaching or dyeing is done, the departments should come under the lower rate of assessment.

The above list does not include Creches, Hospitals, Dispensaries, Temples, Schools, Urinals and W. C.'s., Boiler House and Engine House fallen into dis-use, Overhead Bridges, Dust Chimneys, Dust Chambers, Mill Chimneys, Oil Tanks and Reservoirs, Mill Water Tanks and Reservoirs, Bathing Places, etc., in mill premises and we submit that these should not be assessed.

In connection with the third point, namely, the rental value applicable when a mill is closed, our contention is that the lower rate should be applicable to mills closed not only on account of trade depression, but for any reason whatsoever. When we met you the other day, you pointed out that the words "which scale" used in the sentence quoted in the opening paragraph of this letter referred to Rs. 3 and Rs. 2, and that, therefore, whether working or closed, mills should be assessed at Rs. 3 for main building and Rs. 2 for godowns. This, we hold, is an incorrect interpretation of the Judgment. If you will turn to page 12 of the Judgment, you will notice that it has been conceded by the Municipality as well as by the Court that, "if the mills are closed on account of strike or depression in trade, the mill building should be deemed to be a store house for machinery." This quotation does not certainly fit in with the construction which you sought to place on Mr. Chitre's Judgment, for, having accepted the principle that a closed mill should be treated as a godown and assessed accordingly, it would not be reasonable to assume that in giving his final award, the Judge did not intend to give any relief whatsoever to mills which were closed down. On the other hand, we contend that the extract on page 12 quoted by me clearly shows that the lower rate would become operative, no matter for what reason a mill was closed down.

We were greatly surprised the other day when Mr. Kowshik told us that mill land would be assessed separately. So far as I can see, there is nothing in the Judgment to warrant this decision. On the other hand, from the instances of letting cited and analysed by the Learned Judge, it will be seen that his intention was that land should be assessed along with buildings. In practice, a mill is usually let with the land, the rent charged covering the use of both land and buildings, for it is not reasonable or fair to expect that under ordinary circumstances the one would be lettable without the other for the purpose of utilizing the premises as a mill. Our contention is also borne out by the fact that even under the 1883 compromise between the Millowners and the Municipality, it had been decided that "no separate assessment is to be levied on ground not built upon within the same mill compound" Under these circumstances, it is our considered view that mill land should not be separately assessed.

I have only dealt with some of the most important points arising out of the Judgment. There may be others also, but if an agreement is possible on the main issues, I do not anticipate any difficulty in adjusting the differences, if any, on other matters. In conclusion, I would like to reiterate what I explained at the last conference. My colleagues and I are anxious that the matter should be settled as early as possible, preferably by mutual agreement. It would, therefore, be really unfortunate if the matter had to be referred back to the Court. If, after going through this letter, you desire to meet my Sub-Committee again, I shall only be too pleased to fix up another meeting if you will let me have a ring as to the time and date on which you can manage it.

APPENDIX 4.

MUNICIPAL WATER CHARGES—WATER USED FOR BUILDING PURPOSES.

Copy of letter No. 340/69 dated 8th February 1935, from the Association to the Municipal Commissioner for the City of Bombay, Bombay.

Messrs. The Indian Manufacturing Co., Ltd., have passed on to the Association copies of the correspondence which has passed between the Hydraulic Engineer of the Bombay

Municipality and their Mill Manager regarding the Mill's water-tax bill for the period October 1933 to March 1934. It would appear that in the period mentioned above certain construction work was going on in the mill compound. The water required for building operations was drawn from the Mill's existing water-supply. It is understood, however, that no separate connections were insisted upon by the Municipality, and that separate metered connections are often not granted to contractors owing to the fact that the Mill connections in the compound are readily accessible.

2. The building operations actually commenced in December 1933 and ended in March 1934. The total quantity of water supplied to the Mills during the half-year October 1933 to March 1934 according to the Municipal meter installed in the Mills was 12,600,000 gallons. Early in February 1934, the mills in question received a communication from the Hydraulic Engineer in which it was pointed out that "the consumption of water so used for building purposes will be charged at an enhanced rate of 14 annas per thousand gallons as from 1st December 1933 to the date of completion of the building work."

3. Early in June, the Mill Company concerned received a bill in respect of water charges for the half-year October 1933 to March 1934 in which the total quantity of water registered by the Mill meter during the months in which construction work was in progress had been charged at the rate of 14 annas per thousand gallons. The Mill Company appears to have represented matters to the Hydraulic Engineer, but the latter held that the tax had been correctly levied.

4. Rule I (c) (3) of the Municipal Water Charges Rules lays down *inter alia* that the 14 annas rate is applicable to mill premises where water is used for building purposes from an existing metered connection in respect of the whole consumption while the building work is in progress. While the decision of the Hydraulic Engineer may be in conformity with the above rule, it is submitted that this procedure is manifestly unfair. In reality it means that if at any time small building operations are going on in a Mill—and in large concerns like cotton mills some sort of construction work is almost always going on—the mill would be charged at the rate of 14 annas per thousand gallons or 40 per cent. more than the usual rates on the entire consumption. The correct procedure would have been to apply the higher rate only to the approximate quantity of water used for building purposes. This could easily have been estimated from the difference in the total consumption registered in the half-year in question and the previous half-year. On this basis, the mill would have been charged at the rate of 10 annas per 1,000 gallons on 94,11,000 gallons and at the rate of 14 annas on 31,89,000 gallons.

5. In this connection, I would respectfully invite your attention to the fact that an exactly similar case was referred to you on behalf of the Crown Mills early in 1932, and by the Deputy Commissioner's Order No. 31 dated 2nd February 1932, the original charge was amended so that the mills paid 10 annas on the total consumption of water and the contractors paid as per the scale of charges fixed by the Municipality for construction work on the basis of the cubic contents of the building work actually done, according to the schedule of charges laid down by the Corporation under their resolution No. 2973 dated 2nd July 1920, and it is requested that the Indian Manufacturing Company also should be similarly treated.

6. I would also suggest that in view of the unfairness of the procedure laid down in the Water Charges Rules, some modifications of Rule I (c) (3) should be introduced which would be more equitable in its incidence than the present practice.

7. *Copies of the correspondence which passed between the Association and the Municipal Commissioner in 1931 in the case referred to in the penultimate paragraph of this letter are enclosed for ready reference.

Copy of letter No. C1978 of 1935-36, dated 18th June 1935, from the Hydraulic Engineer, Bombay Municipality, to the Association.

With reference to your letter No. 340/69 of 1935 dated 8th February 1935 addressed to the Municipal Commissioner for the City of Bombay, I have the honour by direction to inform you that in view of the circumstances stated by you, the Municipal Commissioner has been pleased to accede to your request in para 5 of your letter under reply viz., to charge the whole consumption of water at the Indian Manufacturing Company's Mill premises at Ripon Road at the ordinary rate of annas 10 per 1,000 gallons and to prefer a separate bill for extra charge for water used for building purposes.

Your suggestion in para 6 of your aforesaid letter has also been approved and accordingly the necessary modification has been made in the water charges rules for the year 1935-36.

The Indian Manufacturing Co., Ltd, will have to pay extra charge amounting to Rs. 276 for water used for building purposes in connection with the construction of the Manager's office; the Cotton Godown and the extension of the Weaving Shed, for which the bill will be preferred and submitted to the said Indian Manufacturing Co., Ltd., for payment in due course by this Department.

APPENDIX 5.

RIOT TAX, 1932.

Copy of letter dated 26th January 1935, from Messrs. Craigie, Blunt and Caroe to the Association.

With reference to our interview with you on the 25th instant, we understand that certain Members of the Association have received from the Assessor and Collector of Municipal Taxes bills of varying amounts in respect of Riots Tax for 1932, and have desired the advice of the Association as to whether these bills must be met, or whether liability therefor can be declined.

You left with us a copy of the Order of the Chief Presidency Magistrate dated the 8th April 1933 awarding the sum of Rs. 20,45,761 as compensation to claimants in respect of the above riots, and containing a list of the persons who are exempted from liability to pay any portion of the compensation.

We have referred to the opinion which was expressed by Mr. Coltman in January 1933 on the Order of the Chief Presidency Magistrate dated the 29th July 1932 in respect to the 1929 communal riots, and we find that the present Order of the Chief Presidency Magistrate of the 8th April 1933, is, so far as material, in identical terms with his Order of the 29th July 1932.

As you are aware, Mr. Coltman was of opinion that Millowners had no chance of successfully contending before the Chief Presidency Magistrate that they fell within any of the exemptions to his Order of the 29th July 1932, principally on the ground that the exemption contained in Clause 2(d) of his Order was the only exemption which could apply to the Mill Companies, and that Clause 2(d) expressly provided that the exemption granted thereby should not apply to corporate bodies.

The opinion of Mr. Coltman can therefore be accepted as an opinion in reference to the Order of the Chief Presidency Magistrate of the 8th April 1933 and in accordance with that opinion, the Members of the Millowners' Association cannot claim exemption from liability for the compensation levied in respect of the communal riots of 1932.

We beg to return to you herewith the papers which you left with us at our interview with you.

Copy of Circular No. 272/48, dated 28th January 1935, from the Association to all Members of the Association with Mills in the City and Island of Bombay.

We understand that mills in the B, C, D, E and F Wards have been billed for additional general tax to the extent of 3.35 per cent. on the total assessable value of the mills in the year 1932-33. These bills are stated to be due as riot taxes for the communal disturbances which took place in the year 1932. I have consulted the Association's Solicitors and from the views expressed by them it would appear that there is no possibility of mills being exempted from this tax. The bills might, therefore, be paid.

APPENDIX 6.

POWER COSTS.

Copy of letter No. B. H. 75/35 dated 13th March 1935, from the Tata Hydro-Electric Agencies, Ltd., to the Association.

I am pleased to advise you that the three Hydro Companies, at Board Meetings held this day, approved a modification in our rates-schedule T-2, which first became effective as from 1st January 1935.

The modification referred to is in the form of an increase in the power-factor discount from 10 per cent. to 15 per cent.

That paragraph of the T-2 rate will in consequence be revised as follows :—

“A discount (up to a maximum of 15 per cent.) will be allowed on the above tariff at the rate of $\frac{3}{4}$ of one per cent. for each completed one per cent. by which the average monthly power factor of the consumer exceeds 80 per cent.”

The new provision will be given effect as from 1st July 1935.

Copy of letter No. 761/42, dated the 3rd April, 1935, from the Association, to Messrs. Tata Hydro-Electric Agencies, Ltd., Bombay.

I am directed to acknowledge the receipt of your letter No. B.H.75/35 dated the 13th March 1935, and am desired by my Committee to convey to your Board their appreciation of the further concession in power charges notified in your letter. A copy of your letter has been forwarded to all member mills in Bombay for their information.

My Committee trust that, in the near future, it will be possible for you to reduce still further the charges for electric power which, in their opinion, are still too high, judged by the fact that several concerns in Bombay have recently installed, or intend to instal, their own power plants.

Copy of letter No. 2542/41, dated 15th October 1935, from the Association to Messrs. Tata Hydro-Electric Agencies, Ltd., Bombay.

I am directed to address you on the question of the cost of Hydro-Electric Power in Bombay Cotton Mills. At the outset, I am desired to point out that my Committee greatly

appreciate the reductions in power charges which have been made during the last few years. They are also conscious of the fact that mills are at present under long term agreements with the Power Companies, and that any concession during the currency of these agreements should be looked upon as a favour and as an indication of the Power Companies' earnest desire to assist the Bombay Cotton Mill Industry to overcome its present difficulties. Naturally my Committee are, therefore, most anxious to do everything in their power to maintain the cordial relations which have existed between the Association representing its members and the various Hydro-Electric Companies represented by their Boards. In pursuance of this policy, representatives of the Association have on various occasions informally met the executives of your Companies, and the discussions which have taken place have in their opinion helped each side to correctly understand the other's point of view.

2. The present reference arises from representations made to the Association by certain members whose contracts expire in the period, 1939 to 1941. These mills, it would appear, have taken out figures which show that at to-day's prices they could generate their own power at a cost considerably below the cost payable for Hydro-Electric Power under the T-2 Tariff, and the Association understands on reliable authority that certain of these mills contemplate installing their own generating plants on the termination of their present contracts, unless Hydro-Electric power charges are brought into parity with present-day generating costs. Your Board will no doubt agree that a fair price comparison between Hydro-Electric Power and Mills' own power should take into consideration the fact that with Hydro-Electric Power, Mills have to incur additional expenditure for process steam whereas with their own generating plants, the requisite quantity of steam could be extracted from the power unit after it has done its work in producing power, without additional expenditure. In the case of mills taking Hydro-Electric power, say, for example, the Hindustan Mills, the total cost of power and steam works out as under :—

	Annas.
Cost per unit of Hydro-Electric Power in the month of July after providing for 15 per cent. power-factor discount and 2 per cent. prompt payment discount	0.465 per unit.
Cost of steam worked out on the total power consumption ..	0.15 per unit.
Total cost of power and steam	0.615 per unit.

In the case of another mill, for example, the Colaba Land Mills, the total cost of power and steam works out as under :—

	Annas.
Cost per unit of Hydro-Electric Power in the month of July after providing for 15 per cent. power factor discount and 2 per cent. prompt payment discount	0.463 per unit.
Cost of steam worked out on the total power consumption ..	0.19 per unit.
Total cost of power and steam	0.653 per unit.

3. It is the contention of the mills concerned that with their own power generating plant, the total cost per unit would be much less than the figure shown above.

4. The maximum demand of the Hindustan Mills is about 1,500 K.W., and the following estimates of costs have been taken from an order actually placed by a mill in Bombay whose maximum demand very closely approximates to that of the Hindustan Mills.

Power Plant consisting of three boilers with Super-heaters, Economisers, Stokers, Pumps, Pipes and Fittings.

Steam Turbine complete with control panel	1,500 K. W.
All completely erected and installed in Mill Buildings cost ..	Rs. 2,85,000

Steam Consumption extracting	..	..	..	..	..	8,000 lbs. per hour.
With circulating water 95° F.	..	..	..	..	..	26,000 lbs.
Steam consumption of Auxiliaries	..	..	..	..	..	1,500 lbs.
					Total	.. 27,500 lbs.

With Coal at 11,000 B.T.U.'s per lb. (Boiler efficiency 80 per cent.)

Evaporation will be 6.9 lbs. of steam per lb. of coal consumed.

Coal per hour would be	..	..	..	..	..	3,985 lbs.
300 days of 9 hours = 2,700 hours	×	3,985	..	..	..	= 4,803 tons.
Allowing 400 tons for steam raising and stand-by steam at night.						
Total coal per year	..	..	..	..	..	5,203 tons.
Cost at Rs. 14 per ton	..	..	..	..	..	<u>Rs. 72,842</u>

Turbine on full load giving 1,500 units per hour to mill gives
 $1,500 \times 2,700$ hours = 4,050,000 units per year.

Boiler and Engine wages	..	..	..	..	..	Rs. 535 per month.
						= Rs. 6,420 a year.
Boiler and Engine stores and maintenance	..	..	..	..	..	Rs. 4,500 a year.
					Total Running cost	<u>Rs. 83,702</u>

Running cost per unit = .331 annas for Steam and Power.

Cost of Installation Rs. 2,85,000

Allowing 13½ per cent. Capital and depreciation.

Cost per year = Rs. 39,475 = .155 Annas per unit.

Total Cost of Steam and Power would be .486 Annas per unit.

Power Company's power cost is .46 annas per unit to which must be added the cost of producing the process steam required in the Mill. This cost .19 annas per unit of power consumed. Total = .65 Steam and Power.

To equal the cost of the mill generating power from its own Power Plant, the Supply Company would require to supply power at $.486 - .19 = .296$ annas per unit.

5. Somewhat similar results are also possible when comparing Tata Hydro Power with steam plants in certain mills.

From information supplied by the New China Mill the running costs for steam and power are as follows :—

S. H. P. 1,300	..	..	..	..	..	=	866 K.W.
Total hours run	..	..	..	..	..	=	4,030
Cost of coal consumed	..	..	..	..	..	=	Rs. 78,402
Wages	..	..	..	..	..	=	Rs. 3,418-4
Stores and Maintenance	..	..	..	..	..	=	Rs. 5,000
Total cost for 4,030 hours	..	..	..	..	..	=	Rs. 86,820-4
Running cost per unit for steam and power = .398 annas.							

Similarly for the Hirjee Mills, Ltd., where there is a Dyeing and Bleaching Department and where 48 per cent. of coal consumed is for Process Steam, the figures are as under :—

S. H. P. 1,200	..	..	..	..	..	..	=	800 K.W.
Total hours run	..	..	..	..	..	..	=	2,938
Cost of Coal	..	..	..	..	..	..	=	Rs. 61,736
Wages	..	..	..	..	..	..	=	Rs. 5,177
Stores	..	..	..	..	..	..	=	Rs. 4,200
Total cost for 2,938 hours	..	..	..	..	..	..	=	Rs. 71,113

Running cost per unit for steam and power = .483 annas. The cost of Coal for process steam would be Rs. 29,633—a cost of .2 annas per unit, so that actual cost for power = .283 annas per unit.

6. The above figures, in the opinion of the Association, bear out the contention of the mills concerned, and would appear to make out a *bona fide* case for a further reduction in the cost of Hydro-Electric Power. In these circumstances, my Committee would greatly appreciate it if the Hydro-Electric Companies would kindly go into this matter and let them know whether, in view of the disparity which apparently exists between the cost of Hydro-Electric Power and of Mills' own power, a further reduction in the cost of Hydro-Electric Power may be expected. If there are any points in the above figures which require elucidation, my Committee would be pleased to arrange for the Special Sub-Committee of the Association to meet representatives of your Board.

APPENDIX 7.

FUEL OIL SUPPLIES TO COTTON MILLS.

Copy of letter No. 68/38, dated the 5th January 1935, from the Association to the Burmah-Shell Oil Storage and Distributing Co. of India, Ltd., Bombay.

A number of mills, during the last few months, have approached the Association regarding the prices quoted by your Company for the renewal of their fuel oil contracts. It was contended by these mills that the price of Rs. 28-11-0 per ton, which has been quoted by you is excessive when compared with the cost of coal. In order to ascertain whether the contention of the mills is correct, some of the leading Mill Engineers were consulted, and the results of the observations made by them are now available.

The observations deal with a mill with a typical boiler installation of 3 Lancashire Boilers and Greens Economisers. Steam is used for departmental purposes only, as the mill is electrically driven. Two boilers are continually working and one is kept as a standby. From actual tests taken over a long period on this plant burning Lodna coal and flue dust, with steam pressure at 140 lbs. and feed water at 85°F., it was found that the evaporation per lb. was 7.48 lbs. of water (actual). This mill was subsequently changed over to oil fuel, the same meter being used on the feed discharge. The mill was running on the Clyde oil fuel system. It was found that the evaporation per lb. of oil was 13 lbs. of water. The coal had a calorific value of approximately 13,000 B.T.U.'s. 5 to 5½ tons of blow-room dust were burnt per month. The oil used had a calorific value of about 19,150 B.T.U.'s. On this basis, with coal at Rs. 14-8-0 per ton, which is slightly higher than to-day's price,

our Engineers estimate that fuel oil to be competitive should be sold at Rs. 25-3-0 per ton. With coal at Rs. 13-8-0, the Engineers estimate that fuel oil should be sold at Rs. 23-7-0 per ton.

The above estimate of fair price of fuel oil is based on actual experience over a long period, but the price for fuel oil given does not include the small saving in burning cost which follows from the use of oil instead of coal. Allowing for the use of 5 tons of flue dust per month, the calorific value of which was found to be approximately the same as that of coal, the all-in coal burning costs amounted to Rs. 323 per month as against an all-in cost of Rs. 303 per month for oil burning (Clyde system). This saving of Rs. 20 per month for burning costs has to be spread over 80 tons of fuel oil, which was the approximate consumption of fuel oil per month. In other words, including the saving in burning costs from the use of fuel oil, the fair price of fuel oil would be approximately Rs. 25-7-0 per ton against coal at Rs. 14-8-0 per ton, and Rs. 23-11-0 per ton against coal at Rs. 13-8-0 per ton.

Calculating the fair price for fuel oil on the basis of guaranteed calorific values, our Engineers make the following estimates :—

Guaranteed calorific value of fuel oil supplied by your Company . . 18,750 B.T.U.'s.

A recent tender for coal obtained by a Bombay Mill specified a price of Rs. 14 per ton delivered and stacked in the mill compound and with a guaranteed calorific value of 11,500 B.T.U.'s.

(This calorific value, it might be noted, is very considerably below the actual calorific value of Lodna coal.)

The overall efficiency to be expected on daily running is stated by the Engineers to be 75 per cent. on a pressure oil burning system and 67 per cent. on good quality steam coal.

The actual evaporation of water per ton of fuel with the calorific value specified above with feed temperature at 85°F., and steam pressure at 140 lbs. gauge would be, fuel oil (Clyde system) 12.24 lbs. and Coal 6.71 lbs.

These figures converted to from a 212°F. would give water evaporation as under :—

Fuel oil (Clyde system)	..	..	..	..	..	14.59 lbs.
Coal	..	..	..	..	..	7.99 lbs.

On the basis of these evaporations, the fair selling price for fuel oil would be Rs. 25-9-0 per ton plus 4 annas per ton saving in burning charges amounting in all to Rs. 25-13-0. The price which has been fixed for fuel oil by your Company for the year 1935 is Rs. 28-11-0 per ton. On the basis of coal costs, we maintain that it is at least Rs. 2 per ton too high.

It will be noted that the fair price of fuel oil has been fixed on the assumption that the Clyde system of oil burning is being used by all mills. If the steam jet burning system were used, the fair price of fuel oil would have to be much lower to make it competitive with coal.

Another factor which your Company might take into consideration is the likelihood of an early remission of the 15 per cent. surcharge on coal freights, which would reduce the price of coal by at least Re. 1 per ton, making the margin in favour of a reversion to coal even greater than at present.

The Association trusts that the considerations urged in this letter will receive your immediate attention and lead to a reduction in the fuel oil price fixed by your Company for the year 1935. If you consider it desirable, a discussion between your technical staff and some of our Mill Engineers could be arranged.

Copy of letter No. 73/38, dated the 8th January 1935, from the Association to all Mills in Bombay, and Up-country Mills (for information only).

At the close of each year a certain number of fuel oil contracts become due for renewal. Before the contracts are renewed, the Burmah-Shell Oil Storage and Distributing Co. of India, Limited, inform the mills of the price which will be offered for the first year of a new three-year contract. This year the price fixed by the Burmah-Shell is Rs. 28-11-0 per ton delivered at the mill. The mills immediately concerned were of the opinion that this price was unduly high compared with coal, and a special Sub-Committee which went into this matter endorsed that view, as a result of which the enclosed representation was forwarded to the Burmah-Shell.

The price fixed for the first year of new contracts is also quoted for the second and third years of existing contracts. In other words, every mill using fuel oil is affected by the price offered to those mills whose contracts came to an end on December 31st, 1934. It is suggested that all mills should now write to the Oil Company endorsing, with such modifications as their Engineers consider desirable, the case put forward on behalf of the Industry for a reduction in the price of fuel oil. The attention of your Engineers might also be directed to the inefficiency of oil burning by the steam jet system with which the water evaporation per lb. is very much less than the Clyde system.

Copy of letter No. 7/8, dated the 14th January 1935, from the Burmah-Shell Oil Storage and Distributing Co. of India, Ltd., to the Association.

We have for acknowledgment your letter Ref. No. 68/38 of the 5th January, in which you have stated the opinion that the price fixed by us for the supply of Furnate Oil to certain of the mills in your Association is too high, when considered in relation to the prices at present ruling for coal, and you have submitted figures in support of this contention, which will be carefully examined by our Technical Staff. Our contracts, however, have been concluded with individual mills, and consequently we feel that any discussion on the subject of terms and operation of the contracts in question should be held between the actual contracting parties, but we may say that we should be pleased to discuss at any time any points, which those who have contracts with us would like to bring to our attention.

We note that in the course of your letter you also refer to the possibility of a remission of the 15 per cent. surcharge on coal freights, but as, to the best of our knowledge, the greater portion of the coal which is delivered to the local mills is sea-borne, we consider that this factor cannot be put forward justifiably as suitable grounds on which we might consider the introduction of a sympathetic reduction in the price of oil.

Proceedings of a joint meeting between the Liquid Fuel Oil Sub-Committee of the Association and representatives of the Burmah-Shell Oil Storage and Distributing Co. of India, Ltd., held in the rooms of the Association on Thursday, the 4th July 1935, at 12-30 p.m. (S.T.) :—

Present :

	Sir Joseph Kay, Kt. (<i>Chairman</i>),
	V. N. Chandavarkar, Esq. (<i>Dy. Chairman</i>),
J. G. Anderson, Esq.,	Neville N. Wadia, Esq.,
Mark Binnie, Esq.,	W. B. Bradford, Esq. (<i>Engineer</i>),
G. H. Cooke, Esq.,	} representing the Burmah-Shell Oil Storage and Distributing
A. W. Percy, Esq.,		Co. of India, Ltd.,
	and N. S. V. Aiyer, Esq. (<i>Ag. Secretary</i>).

METHOD OF BILLING.

After welcoming the representatives of Messrs. Burmah-Shell Oil Storage and Distributing Co. of India, Ltd., the Chairman elaborated the Association's case for a revision

of the method of billing at present adopted by the Oil Company. He pointed out that the heat value per ton of oil had greatly decreased in recent years. Between 1929 and 1934 the specific gravity of fuel oil supplied to the mills varied between 0.895 and 0.925 and was at the moment 0.918. The tendency was for the specific gravity to increase from year to year as a result of which the actual quantity (in gallons) supplied per ton of oil had decreased. The Chairman pointed out that this had been largely due to the fact that the process of refining had been considerably improved and greater quantities of volatile oils were taken out of the crude oil, before the residue was put on the market as fuel oil. This had resulted in an increase in the specific gravity of fuel oil and a decrease in its calorific value. He pointed out that if the process referred to above were to continue, the effect would be a still less number of heat units and volume per ton of oil than mills had obtained before.

On behalf of the Oil Company, it was pointed out by Mr. Cooke that their participation in the deliberations of the meeting was not at all due to a desire to oppose any reasonable suggestions made by the Millowners, and he assured members present that the Oil Company wanted to adopt as helpful an attitude as possible.

As regards the suggestion that mills should be billed for Furnace Oil by volume instead of by weight, the Oil Company had no wish to impose either one method or the other on the Millowners, but doubted whether the method of invoicing by volume was suited to their particular requirements.

Mr. Percy mentioned that the mills kept both their stocks of oil and their records of steam evaporation per lb. weight of oil, and that if deliveries were made by volumetric ton, they would find it almost impossible to reconcile their stock position, particularly as the weight per volumetric ton would vary—other factors apart—according to the atmospheric temperature ruling when the oil was loaded into lorries.

Mr. Wadia stated that the calorific value of the oil supplied had declined since 1929.

Mr. Cooke agreed with this but stated that the heating value in B.T.U.'s received per rupee had increased since that date. Variations in calorific value and specific gravity were unavoidable in the constantly changing practice of refining, nevertheless the Oil Company guaranteed a minimum calorific value of 18,750 B.T.U.'s per lb., but if the mills were to be billed on a volume basis, and did not buy by the lb. the effect of this guarantee would be nullified. He asked the Chairman which method the Millowners would prefer.

On being asked to state his views on Mr. Cooke's question, Mr. Binnie pointed out that, as the calorific value per lb. was guaranteed, and the oil could be purchased and stocks kept per lb., the question of the volume per ton of oil received was of no consequence.

Mr. Bradford concurred with these views.

Mr. Anderson asked if the Oil Company could not increase the guaranteed calorific value of the oil to, say, 19,000 B.T.U.'s per lb.

Mr. Cooke stated in reply that, though the calorific value mentioned in the contracts was 18,750 B.T.U.'s per lb., the figure for current supplies of Furnace Oil was about 19,000 B.T.U.'s or over. He, however, was not then in a position to amend the guaranteed figure, but promised to refer the matter to the refiners and communicate later with the Association.

After further discussion, the Chairman stated that, as far as the Sub-Committee were concerned, as a result of the technical advice put forward at the meeting, it could be assumed that the current method of invoicing Furnace Oil was the most suitable for the present requirements of the Millowners.

STANDARD CONTRACT.

The Chairman, in advocating a standard form of contract for the mills, mentioned that the specification clause was not included in all contracts. Mr. Percy replied that the

terms of all the mill contracts were substantially the same, and as regards the specification clause, as only one grade of oil was supplied to all mills, the specification in the contracts of those mills which had asked for one safeguarded the others, but the Company had no objection to including the same specification in other mill contracts if asked to do so. No other specification had been offered to any mills.

PROMPT PAYMENT DISCOUNT.

The Chairman then requested Mr. Cooke to consider the advisability of allowing a discount for prompt payment of bills. He pointed out that the Hydro-Electric Companies were allowing a discount of 2 per cent. for payment of bills within 10 days, and he suggested that a similar procedure might be followed by the Oil Company also. Mr. Cooke wanted time to consider this proposition, and promised to communicate to the Association the considered views of his firm on this suggestion.

"FORCE MAJEURE."

The Chairman then referred to Clause 10 of the Oil contract, which protected the seller in the event of failure to supply the contracted quantity of oil in circumstances beyond his control, and he asked the Oil Company, whether they would consider the advisability of inserting a similar clause, which would protect the buyer if it was not possible for him to take the contracted quantity of oil for reasons beyond his control.

Mr. Percy replied that in response to the request from the Millowners, the Oil Company had arranged this protection in certain contracts, and were prepared to do so in all contracts if requested by other Millowners: that is, make the *Force Majeure* clause operative on both sides. Nevertheless, he mentioned that in the past, owing to strikes and labour difficulties practically all the mills had at times failed to uplift their contracted quantities, without any claim ever being suggested by the Company, and he thought that in view of this the Millowners could rely on their contracts being interpreted reasonably.

This concluded the business of the meeting, and after exchanging the usual courtesies the representatives of the Oil Company withdrew.

APPENDIX 8.

INSURANCE RATES FOR COTTON MILLS WORKING NIGHT SHIFTS.

Copy of letter No. 2049/165, dated the 13th October 1934, from the Association to the Secretary, the Bombay Fire Insurance Association, Limited, Bombay.

Through the courtesy of the Indian Merchants' Chamber my Association has been furnished with copies of the correspondence which has passed between the Rajpur Mills, Ltd., Ahmedabad, and your Association; and also between the Chamber and your Association, on the question of the extra fire insurance premium which cotton mills have to pay for working night shift. I would greatly appreciate it if you could let me have for the information of my Committee a brief note explaining the reasons underlying this extra charge, indicating the additional risks involved in the night shift.

Copy of letter No. 1037/A, dated the 31st October 1934, from the Bombay Fire Insurance Association to the Association.

I refer to your letter No. 2048/165 of 1934, dated 13th instant, and am directed to explain that the extra premium charged for night work is not peculiar to cotton mills nor to risks situated in India.

The extra charged in the case of cotton mills—and other risks—bears no relation to the basis rate for such risks when working normal hours but is a fixed charge for the additional hazard involved.

During night shift it is obviously impossible to maintain such close supervision as can be done in the day time ; this results in increased carelessness on the part of workmen and constitutes an increase in the fire hazard.

Other factors which justify the extra, are the increased possibility of fire due to over-heating of bearings in machinery which is being kept running for greatly increased periods, and the fact that it is rarely possible to maintain the normal standard of general cleanliness of the factory and of inspection and overhaul of machines when work is being carried on night and day.

The position has already been explained to the Indian Merchants' Chamber, the Ahmedabad Millowners' Association and the Rajpur Mills, Ltd.

Copy of letter No. 1037/A, dated the 26th January 1935, from the Bombay Fire Insurance Association to the Association.

I am directed to advise you that my Committee have been reviewing, in the light of certain figures which have been recently collated, the basis on which the above extra is collected under the existing Tariffs.

These collated figures reveal that the present system operates unfairly in certain cases and my Committee consider that the adoption of a percentage loading of 50 per cent. on normal rates to cover the increased hazard would be more equitable and advantageous to your members.

This revision, as we have previously explained, would be a departure from the general practice but my Committee propose to recommend its adoption to the Fire Offices' Committee (Foreign), London.

Copy of letter No. 280/165, dated the 29th January 1935, from the Association to the Secretary, the Bombay Fire Insurance Association, Bombay.

I am directed to acknowledge the receipt of your letter No. 1037-A, dated the 26th January 1935, on the subject of extra premium for night shift working in cotton mills. The suggestion contained in your letter was considered at a meeting of my Committee yesterday, and I am directed to inform you that they are of opinion that the adoption of a percentage loading of 50 per cent. on normal rates to cover the increased hazard of fire during night shift working would be more equitable than the present flat rate system of additions provided that the additional percentage shall only be applied to those departments actually worked at night. I am also directed to request that the new arrangement proposed in your letter should be given effect to from 1st January 1935.

Copy of letter No. 1037/A, dated the 31st January 1935, from the Bombay Fire Insurance Association to the Association.

I acknowledge receipt of your letter No. 280/165 of 1934 of the 20th instant and am directed to inform you that the Committee's recommendations are going forward to the Fire Offices' Committee (Foreign) by air mail and include the application of the new proposals from 1st January 1935.

I confirm that the additional percentage will apply only to those departments actually worked at night and departments communicating therewith.

Copy of letter No. 1037/A, dated the 7th March 1935, from the Bombay Fire Insurance Association to the Association.

I refer to my letter of the 31st January last and am directed to inform you that my Committee have now received the approval of the Fire Offices' Committee (Foreign) to the proposals they suggested to that Body in the above connection.

A circular issued to members of this Association is enclosed for your information.

Copy of Circular No. 25, dated the 7th March 1935, from the Bombay Fire Insurance Association to the Representatives of Fire Insurance Offices.

I am directed to inform you that the Committee have been reviewing, in the light of certain figures which have been recently collated, the basis on which the above extra is collected under the existing Tariffs.

These collated figures reveal that the present system operates unfairly in certain cases and the Committee found that the adoption of a percentage loading of 50 per cent. on normal working rates to cover the increased hazard would be more equitable. This additional percentage is to apply only to those departments actually worked at night and departments communicating therewith and is to be calculated on the rate arrived at after other Tariff extras applicable have been added.

The matter was referred to the Fire Offices' Committee (Foreign) who have approved of the adoption of the above and the Committee have decided to bring this revision into force as from 1st January 1935.

Revised Tariff sheets giving effect to the above are being printed and copies will be issued shortly.

Copy of letter No. 563/165, dated the 12th March 1935, from the Association to the Secretary, the Bombay Fire Insurance Association, Bombay.

I beg to acknowledge with thanks the receipt of your letter No. 1037-A, dated the 7th March, and a copy of the circular on the above subject.

APPENDIX 9.

RULES UNDER THE FACTORIES ACT.

Copy of letter No. 292/52, dated the 29th January 1935, from the Association to the Commissioner of Labour, Factories Department, Secretariat, Bombay.

I am directed to invite your attention to the Political and Reforms Department Notification 352/34, dated the 3rd November, 1934, and to submit for the consideration of Government the views of this Association on the proposed Rules under the Indian Factories Act, 1934.

Rule 26 (c).—This Rule requires that all steam pipes used for the introduction of steam for the purpose of artificial humidification of the air shall be effectively covered with insulating material and kept in good repair to the satisfaction of the Inspector.

It has been pointed out to the Association that in certain seasons of the year, especially when mornings are very cold, it is necessary to raise departmental temperature by the introduc-

tion of live steam. This enables the mills not only to maintain the requisite humidity, but also to afford satisfactory working conditions to the operatives. Bare pipes facilitate the heating of the department, and insulation will retard the process. The idea behind this rule is probably to prevent excessive heat in the Department and discomfort to the operatives, but these objects are achieved by the provisions of Rule 15. Under these circumstances, Rule 26 (c) appears to be unnecessary.

Rule 29 (2).—My Committee contend that this rule should be deleted. As Government are probably aware, mills in Bombay without exception are illuminated by electricity supplied by the Tata Electric Supply and affiliated Companies and as far as my Committee are aware, there has only been one failure of the lighting arrangement, and that for a period of ten minutes only during the past ten years. The provision of auxiliary electric lighting would entail mills in heavy and unjustifiable expenditure and any other form of auxiliary lights would so greatly increase the risk of fire that its provision would make night-shift working considerably more hazardous to the operatives than it is at present, and in addition, employers would have to pay considerably enhanced fire insurance premium.

Rule 34.—The Association agrees with the proviso to this rule which requires that the surface of floors and inside walls of latrines “ shall be of non-absorbent impermeable material to a height of 3 feet from the floor,” but it is submitted that adequate time must be given in which to effect the changes which the rule makes necessary.

Rule 66 lays down that before 1st July 1935, the manager of every factory shall maintain free of charge to the workers, stores of first-aid appliances. Full details regarding the stores, etc., are set forth in Appendix II to the Rules. Mills which possess an ambulance room under the charge of an hospital assistant, assisted by two persons for every 250 people employed, appear to be exempted from the provisions of this rule, but no exemption has apparently been given to mills which are at present maintaining fully equipped dispensaries with a full-time qualified dispensary assistant and a part-time doctor.

The object underlying this Rule is probably to ensure prompt and effective first-aid treatment to the injured. With this object my Association entirely agree, and it was precisely with this object that we organised first-aid classes for all mill operatives a year or two ago. These classes which were temporarily interrupted by the closure of several mills in 1933 and the strike in 1934 were well attended, but it is obvious that the proposal which Government have formulated, namely, the provision of a sufficient number of first-aid boxes in all departments would not achieve the ends in view, unless a proper trained personnel is immediately available on the spot. The Association, therefore, considers that until further progress has been made with our first-aid classes, no attempt should be made to frame any rules under Section 32 (b). In the meantime, the Factory Inspection staff might be encouraged to enlist the voluntary co-operation of mill managements in extending the scope and utility of existing dispensaries and in opening new dispensaries wherever they are not available at present.

When a sufficient number of first-aid men have been trained at our first-aid classes, the position may be reviewed by Government, but in any event, mills with a fully equipped dispensary and a full-time assistant should be exempted from the proviso relating to first-aid boxes.

Rule 74.—Section 41 of the Act provides that the manager of every factory shall maintain a register of adult workers showing :—

- (a) the name of each adult worker in the Factory ;
- (b) the nature of his work ;
- (c) the group, if any, in which he is included ;
- (d) where his group works on shifts, the relay to which he is allotted ; and
- (e) such other particulars as may be prescribed,

and empowers the Inspector of Factories and the Local Government to grant, under certain circumstances, exemption from the provisions of this section. The proposed Form “ C ” in which the details mentioned above have to be recorded is equivalent to Form “ D ” under

the present Rules in respect of which an exemption already appears to exist except in the case of children and certain other types of operatives. It is submitted that similar exemptions should be given to mills after the new Rules become operative.

APPENDIX 10.

EMPLOYMENT OF ' ADOLESCENTS ' IN COTTON MILLS.

Copy of letter No. 74/33, dated the 8th January 1935, from the Association to all Members of the Association.

The attention of members is drawn to Section 51 of the new Factories Act regarding the employment of adolescents. Under the new Act, persons between the ages of 15 and 17 are classed as 'adolescents,' and unless they are certified as fit by a Certifying Surgeon, cannot be employed for more than 5 hours per day. The Certifying Surgeon is making a survey of the adolescents already in employment, but all new operatives between the ages of 15 and 17 and engaged after 1st January 1935 must, before engagement, either be sent or produced before the Certifying Surgeon when he visits the mill to obtain a certificate of fitness before being allowed to work as adults. These new operatives will be required to wear a token indicating that they have been passed as fit by the Certifying Surgeon. If the Certifying Surgeon refuses a certificate to any person between the ages of 15 and 17, he should either not be engaged, or employed only as a half-timer.

All children below the age of 15 will also be required to wear a token indicating that they have been passed as fit by the Certifying Surgeon.

APPENDIX 11.

EMPLOYERS' DELEGATE TO THE TWENTIETH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE.

Copy of letter No. 3592, dated the 19th October 1935, from the Commissioner of Labour, Bombay, to the Association.

I have the honour to forward herewith for the information of your Association a copy of the Press *communiqué* issued by the Government of India in the Department of Industries and Labour on the above subject.

2. I should like to draw your attention to para 3 of the *communiqué* and to point out that all suggestions should be communicated to the Government of India direct and *not* to this office.

Copy of Press Communiqué issued by the Government of India, Department of Industries and Labour, dated the 30th September 1935.

In the normal course the 20th Session of the International Labour Conference will be held at Geneva in May-June 1936 when the following subjects will be on the agenda :—

- (i) The regulation of certain special systems of recruiting workers.
- (ii) Holidays with Pay.
- (iii) Reduction of hours of work on public works undertaken or subsidised by Governments.
- (iv) Reduction of hours of work in the building and civil engineering industry.
- (v) Reduction of hours of work in iron and steel works.
- (vi) Reduction of hours of work in coal mines.
- (vii) Safety provisions for workers in building construction with reference to scaffolding and hoisting machinery.

The first six subjects were discussed at the 19th Session held in June 1935, and will be for final consideration, while the seventh subject will come up for first discussion.

2. The delegates representing each Member State at the Conference include two Government Delegates, one Employers' Delegate and one Workers' Delegate. Advisers can be appointed for each group according to necessity and circumstances. The duty of nominating the personnel of the entire Indian Delegation rests with the Government of India who, under the terms of the Treaty of Versailles, have undertaken "to nominate non-Government Delegates and Advisers chosen in agreement with the industrial organizations if such organizations exist, which are most representative of employers or workpeople as the case may be." An association will be regarded as representative of employers only if it includes among its functions that of dealing with the interests of employers as such (e.g., regulating conditions of employment). The mere fact that the membership of an organization maintained for other purposes (e.g., the protection and regulation of the commercial interests of its members) includes a number of industrial employers is not in itself sufficient to give that organization a claim to consideration in the present connection.

3. All suggestions relating to the nomination of non-Government Delegates and their Advisers should reach the Secretary to the Government of India in the Department of Industries and Labour as early as possible and, in any case, not later than the 31st December 1935.

4. Allowances (on a scale which can be ascertained by application to the Department of Industries and Labour) will be granted by Government to defray the expenses of the Delegates and any Advisers finally nominated.

Copy of Press Communiqué issued by the Government of India on the 11th December 1935.

In a Press communiqué dated the 30th September 1935, it was announced that the following subjects would be on the agenda of the Twentieth Session of the International Labour Conference to be held at Geneva in 1936 :—

The regulation of certain special systems of recruiting workers.

Holidays with Pay.

The reduction of hours of work on public works, in the building and civil engineering industry, in iron and steel works, and in coal mines.

Safety provisions for workers in building construction.

The Government of India have now received intimation that the Conference will also consider the question of the reduction of hours of work in the textile industry.

The session will begin on 4th June 1936.

Copy of letter No. 3173/215, dated the 5th December 1935, from the Association to the Secretary to the Government of India, Department of Industries and Labour, New Delhi.

I have the honour to refer to the *communiqué* issued by the Government of India on the 30th September 1935, notifying the subjects to be discussed at the 20th Session of the International Labour Conference and laying down the procedure to be followed by industrial organizations in regard to the nomination of non-Government delegates to the Conference.

My Association has much pleasure in suggesting the name of Sir Homi Mehta, Kt., for nomination as the Indian Employers' Delegate to the Conference. Sir Homi Mehta's wide and versatile knowledge of Indian industrial and commercial problems, and his experience as a member of the Council of State admirably fit him, in the opinion of my Association, to represent the interests of Indian employers at the next Geneva Conference.

APPENDIX 12.

BOMBAY TRADE DISPUTES CONCILIATION RULES.

Bombay Castle, 12th January 1935.

No. 340/34.—In exercise of the powers conferred by section 20 of the Bombay Trade Disputes Conciliation Act, 1934 (Bom. IX of 1934), the Governor in Council is pleased to make the following rules for the purpose of giving effect to the provisions of the said Act :—

PRELIMINARY.

1. *Short title.*—These rules may be called the Bombay Trade Disputes Conciliation Rules, 1934.

2. *Definitions.*—In these rules, unless there is anything repugnant in the subject or context,

(a) " Act " means the Bombay Trade Disputes Conciliation Act, 1934.

(b) " Section " means a section of the Act.

3. *Form and manner of giving notice under section 8.*—The notice under section 8 shall be given in Form A appended to these rules and shall be served in the following manner :—

- (a) Where a registered company is a party to a trade dispute, the notice shall be sent to the managing agent or the managing director of the company at the registered office of the company :

Provided that when such company has, before the issue of the notice, intimated in writing to the Chief Conciliator that the notice under this section should be served on some other officer in British India of such company, the notice shall be sent to such officer at such address as may be specified in the intimation.

- (b) Where members of a registered trade union are a party to a trade dispute, the notice shall be sent to the registered office of the trade union.
- (c) Where an owner, Manager or occupier of an industrial establishment is a party to a trade dispute the notice shall be sent by registered post addressed to him at such establishment.
- (d) Where workmen who are not members of a registered trade union, and who have not made an application under clause (a) of section 7, are a party to a trade dispute, the notice shall be served on the Labour Officer, who shall communicate its contents to the workmen in such manner as seems best to him in the circumstances of each case.
- (e) Except in cases provided in clauses (a) to (d), notice shall be sent by registered post to the address given by a party to a trade dispute in his application under clause (a) of section 7.

4. *Intimation of authorization of an Officer by a Company.*—(a) Where an employer is a company registered under the Indian Companies Act, 1913, the managing agent or the managing director of such company may give written intimation to the Chief Conciliator that the company has authorized some other officer of the company residing in British India to represent it for the purposes of sub-section (3) of section 9.

(b) Such intimation shall contain the name, address and occupation of the officer authorized to represent the company.

(c) Such intimation shall be given to the Chief Conciliator at any time not later than twenty-four hours after notice under section 8 is given to such employer.

5. *Expenses of witnesses.*—(1) Expenses reasonably incurred by any person summoned to give evidence or produce a document before the Conciliator may be allowed by the Conciliator to such person according to the scale prescribed for witnesses summoned to give evidence in the Court of the Presidency Small Causes, Bombay.

(2) Any party to a trade dispute applying for the issue of a summons to any person required to give evidence or produce document before the Conciliator shall, within a period to be fixed by the Conciliator and before a summons is issued, deposit with the Conciliator such sum of money as would, in the opinion of the Conciliator, be sufficient for the purpose of defraying the expenses of the person summoned.

(3) The expenses allowed in the case of a person summoned by the Conciliator on his own motion or at the request of the Labour Officer shall be borne by Government.

6. *Manner of maintaining record of conciliation proceedings and settlement.*—The records of conciliation proceedings shall be maintained in Form B appended to these rules.

FORM A.

*(See Rule 3.)**Form of Notice to be given under section 8 of the Bombay Trade Disputes Conciliation Act, 1934.*

Whereas under section 7 of the Bombay Trade Disputes Conciliation Act, 1934, an application has been made by _____ for the settlement of a trade dispute in

And whereas I am satisfied that the dispute exists or is apprehended in

I hereby call upon you under the powers vested in me under sub-sections (1) and (2) of section 8 of the said Act, to appoint within _____ days of the receipt of this notice delegates not exceeding _____ in number to appear before me on your behalf to take part in the conciliation proceeding which will commence on the _____ day of _____ at _____

(Signed)
Conciliator.

Dated _____

FORM B.

*(See Rule 6.)**Form in which record of conciliation proceedings shall be maintained.*

Reference No. _____

1. Name or names of firm or firms in which the trade dispute existed or was apprehended.
2. Names of parties and names of delegates, if any.
3. Date of the first day on which the workmen were absent from work through the trade dispute.
4. Total number of persons employed in the firm or firms in which the trade dispute existed or was apprehended.
5. Number of persons involved in the trade dispute :
Directly.
Indirectly.
6. Cause or object of the trade dispute.
7. Date when the trade dispute ended.
8. Result of the trade dispute.
9. A brief description of the steps taken to bring about a settlement, giving the names of any organizations or persons assisting to bring about the settlement.
10. Method by which settlement was brought about.

Note.—Where an agreement in writing has been arrived at between the parties to the trade dispute, a copy of the agreement should be attached to the record.

Signature or signatures of officer or officers concerned with the settlement of the trade dispute.

APPENDIX 13.

BOMBAY TRADE DISPUTES CONCILIATION ACT—
ACTIVITIES OF THE LABOUR OFFICERS.

UNJUST DISMISSALS—SEPARATION OF LEAVE AND DISCHARGE PASSES.

Copy of Circular No. 911/51, dated the 17th April 1935, from the Association to all mills in Bombay City and Island.

I am directed to refer you to my letter No. 149/37, dated the 20th January 1930, wherein it was suggested that all mills in Bombay should adopt a uniform Leave/Discharge pass for their operatives. The same pass was to be used for granting leave, discharge or notice. The pass book was to be in triplicate, one pass being given to the operative, the second pass deposited at the Time Office and the third pass remaining in the book itself for record.

As far as the Association is aware, that system is uniformly adopted in all the mills of Bombay to-day. The form, as will be remembered, was adopted after the matter was discussed by the Committee of the Association and by the Managers Sub-Committee.

The system has been working fairly satisfactorily, but lately the Government Labour Officer has reported to Government, and even published in the *Labour Gazette*, that certain cases had come to his knowledge where the workpeople were not given proper leave passes. He suggested that if the leave passes were separated from the discharge passes, it would be a great advance on the present system.

The Government of Bombay some time back forwarded this suggestion to the Mill-owners' Association for their consideration.

The Committee of the Association, after consulting the Labour Advisory Sub-Committee, have come to the conclusion that the leave and discharge passes should be separated. They need not be printed in Marathi, but the Committee have agreed that the last sentence of Standing Order No. 8 should be printed in Marathi on the back of that portion of the leave pass which is to be given to the operative. This suggestion, they think, will do something to make it clear to the operative that the right to reinstatement is forfeited if the leave granted is exceeded. The suggestions of the Committee are :—

(1) The Leave Pass should be as per Form A attached. The form should be printed on *white* paper.

(2) The Discharge Notice pass should be printed on *red* paper with the wording given in Form B attached.

It is suggested that in all cases where the leave granted to the workers exceeds one day, leave passes should be issued. (*Vide* Standing Order No. 8.) Cases of oral leave being given by Jobbers have been reported to the Association, and I am desired to point out that this practice is contrary to the intention of Standing Order No. 8.

The Committee trust that the above recommendations will be given effect to by all mills as soon as possible.

FORM A (WHITE PAPER).

No.
THE.....COMPANY, LTD.
193
Please note that.
T. No. Dept. has been
of.....
given leave from.....
to.....
for.....
Length of Service.....
Havala (if any) for wages for the month of.....
in favour of..... Dept.
T. No..... of..... Dept.

.....
Manager. Departmental Head.

No.
THE.....COMPANY, LTD.
193
Please note that.
T. No. Dept. has been
of.....
given leave from.....
to.....
for.....
Length of Service.....
Havala (if any) for wages for the month of.....
in favour of..... Dept.
T. No..... of..... Dept.

.....
Manager. Departmental Head.

(To be given to the Operative Concerned)

No.
THE.....COMPANY, LTD.
193
Please note that.
T. No. Dept. has been
of.....
given leave from.....
to.....
for.....
Length of Service.....
Havala (if any) for wages for the month of.....
in favour of..... Dept.
T. No..... of..... Dept.

.....
Manager. Departmental Head.
This Portion must be Preserved by the Operative.

FORM B (RED PAPER).

No.
THE.....COMPANY, LTD.
193
Please note that.
T. No. Dept. has been†
of.....
discharge*
given notice* from.....
to.....
for.....
Length of Service.....
Havala (if any) for wages for the month of.....
in favour of..... Dept.
T. No..... of..... Dept.

.....
Manager. Departmental Head.

†If a man gives notice this word must be struck out.
*The word which does not apply to be struck out.

No.
THE.....COMPANY, LTD.
193
Please note that.
T. No. Dept. has been†
of.....
discharge*
given notice* from.....
to.....
for.....
Length of Service.....
Havala (if any) for wages for the month of.....
in favour of..... Dept.
T. No..... of..... Dept.

.....
Manager. Departmental Head.

†If a man gives notice this word must be struck out.
*The word which does not apply to be struck out.

(To be given to the Operative Concerned.)

No.
THE.....COMPANY, LTD.
193
Please note that.
T. No. Dept. has been†
of.....
discharge*
given notice* from.....
to.....
for.....
Length of Service.....
Havala (if any) for wages for the month of.....
in favour of..... Dept.
T. No..... of..... Dept.

.....
Manager. Departmental Head.

†If a man gives notice this word must be struck out.
*The word which does not apply to be struck out.

POSTING UP OF PIECEWORK RATES IN MILLS.

Copy of Circular No. 1313/141, dated the 29th May 1935, from the Association to all Members of the Association with mills in the City and Island of Bombay.

A suggestion was recently conveyed to the Association by the Government of Bombay that considerable and unnecessary dissatisfaction was being caused amongst the workpeople owing to the fact that pieceworkers were not always supplied *in advance* with full particulars of their piecework rates. Enquiries made by the Association's Labour Officer tend to show that there is some justification for the complaint, and mills are, therefore, requested to take steps where necessary to ensure that the undertaking given to the Fawcett Committee is strictly complied with. The undertaking referred to was given in response to a demand made on behalf of the workpeople before the Fawcett Committee that notices in the vernacular showing the rates of piecework in detail should be posted in the departments for the information of workers. In response to this demand, the representatives of the Association who gave evidence before the Fawcett Committee stated, under instructions from the Committee of the Association, that the Association agreed to notices in vernacular being put up as desired.

Compliance with the demand made by the workpeople will necessitate the posting up of a complete schedule of rates for all classes of piecework in the actual departments concerned. In mills where piecework rates have not been consolidated, the dear food allowance being paid should be clearly specified in the schedule.

The undertaking given before the Fawcett Enquiry Committee is already being complied with in a majority of mills but there may be isolated cases in which schedules of piecework rates have not been actually posted up in the various departments, and such mills are recommended to take immediate steps to comply with the letter of the undertaking given before the Fawcett Committee. Any practical difficulties which mills might have in giving effect to this recommendation will be elucidated by the Association's Labour Officer.

REGISTRATION OF JOBBERS.

Copy of Circular No. 1311/133, dated the 29th May 1935, from the Association to all Member Mills in Bombay City and Island.

I am directed to give below for your information a copy of a resolution adopted by the Committee of the Association at a meeting held on Monday, the 27th instant.

"Resolved that the scheme for the registration of Head Jobbers and Assistant Head Jobbers recommended by the Managers' Sub-Committee be approved and put into force."

I also enclose herewith a copy* of a note which explains the purpose for which registration of Jobbers is being adopted. The Association proposes to maintain a complete and up-to-date record of the services and qualifications of all Head Jobbers and Assistant Head Jobbers employed in the cotton mills of Bombay City and Island. In the first instance, the record card for each mill will be filled in by the Association's Labour Officer during his periodical visits to the mills. Thereafter, the managements of all mills will be asked to bring up-to-date the particulars entered up in the record cards at quarterly intervals. In this work, they will be assisted by Mr. Dalal. If a Head Jobber or an Assistant Head Jobber is discharged or leaves service, full particulars in connection with each case should be forwarded to the Association. It is also requested that if a mill contemplates engaging a new Head Jobber or an Assistant Head Jobber from outside its own labour force, the Association

* Not printed.

should be referred to for his service record and the circumstances in which he left his last employer. It is hoped that eventually detailed particulars of practically all persons fitted for posts as Head Jobbers or Assistant Head Jobbers will be recorded by the Association. When this position has been reached, it should be possible to prevent engagement of undesirable persons.

Copy of Circular No. 2056/133, dated the 24th August 1935, from the Association, to all Member Mills in Bombay City and Island.

I am directed to invite your attention to this office circular letter No. 1311/133, dated the 29th May 1935, in which was outlined a scheme for the registration of Head Jobbers and Naikins employed in Member Mills in Bombay.

The Record Cards have now been filled up for the following types of Head Jobbers and Naikins, now working in member mills :—

- (1) Electric Foremen.
- (2) Mechanic Foremen.
- (3) Blow-Room Head Jobbers.
- (4) Card-Room Head Jobbers.
- (5) Frame Head Jobbers.
- (6) Spinning Head Jobbers (Ring and/or Mule).
- (7) Reeling Naikins.
- (8) Winding Naikins (Grey, Colour, Universal, Drum, Cheese and Doubling).
- (9) Weaving Shed Head Jobbers.

In order to keep the information contained in these Cards up-to-date, I am to request that any changes in the personnel in so far as the above persons of your mill are concerned, may kindly be notified to the Association immediately. In particular, it is suggested :—

- (1) that, in case any Head Jobber or Naikin is dismissed from service or resigns voluntarily, the Association might be informed as early as possible thereafter, of the date of such dismissal or resignation and the precise reason therefor ;
- (2) that, in case persons from a lower rank in your own mill are promoted to fill up vacancies of Head Jobbers or Naikins, the Association may be notified immediately of the fact. Records of the previous experience, etc., of such operatives will then have to be filled up in the special Cards which will be issued to you on receipt of intimation of such appointments ;
- (3) that, in the event of your finding it necessary, for any reason, to engage a Head Jobber or a Naikin from outside your own labour force, it is recommended that the appointment may be made temporarily in the first instance, but before confirming it, the Association might be consulted as to his or her previous record of service.

As the success of the whole scheme depends to a very large extent on the maintenance of the record cards in an up-to-date condition, I am to express the hope that any changes in the personnel of your mills, in so far as Head Jobbers and Naikins are concerned, will be promptly communicated to the Association as and when they arise.

THE EMPLOYMENT OF *BADLIS*.

Copy of Circular No. 1312/139, dated the 29th May 1935, from the Association to all Members of the Association with Mills in the City and Island of Bombay.

I am directed to inform you that the underquoted resolution was unanimously agreed to by the Committee of the Association at a meeting held on Monday, the 27th May 1935, and to request that the management of your mills may be instructed to take such steps as are necessary to implement the resolution.

“ That the recommendations of the Managers’ Sub-Committee for the regularisation of *badli* work be approved and the necessary steps taken to ensure its introduction as far as possible in Bombay member mills.”

The details of the scheme for controlling the employment of *badlis* will be found in the papers annexed hereto.

Two copies of the enclosures are sent herewith ; one for the Head Office and one for the use of the Mill Manager.

RECOMMENDATIONS OF THE MANAGERS’ SUB-COMMITTEE FOR CONTROLLING THE EMPLOYMENT OF “*BADLIS*” IN COTTON MILLS.

That the turnover of labour in Bombay cotton mills is enormous is a common experience. This applies both to the permanent hands as well as to the *badlis*. Mr. Dalal took out statistics in 3 mills and found that during three months about 75 per cent. more men than necessary were employed in those 3 mills. Thus the mill employing on an average about 1,000 hands had actually 1,750 people who earned their living in that mill during those 3 months. It means that about 750 people either left the mill or remained absent during the month in whose places new men were engaged.

The turnover problem is not so much concerned with the permanent people as with the *badlis*. Thus referring to the same mill as mentioned above employing on an average about 1,000 permanent people, only 60 permanent people left service during those 3 months, in whose places 60 new people were employed, whereas there were as many as 681 *badlis* who got some employment in the mill during the same period. This applies not only to this mill but to many other mills in Bombay. It is estimated by Mr. Dalal that the number of *badlis* per month amounts to something like 25 to 50 per cent. of the total number of hands working in the mill. Thus a mill working with a strength of 1,000 permanent people will employ 250 to 500 people extra who are mere *badliwallas*.

The necessity for *badlis* arises because of the large percentage of absenteeism among the mill hands of Bombay, but even then the percentage of absenteeism ordinarily does not amount to more than 5 to 10 per cent. of the total strength (this goes up to about 15 per cent. on the day following the holiday after the pay day). This means that the percentage of *badlis* against the total number of hands should not in any case be more than 15 to 20 per cent., whereas it is actually as much as 25 to 50 per cent.

The reason for this large percentage of *badlis* is that in most of the mills the same man is not carried forward as a *badli* from day to day. Most of the *badlis* during the month work for only one or two days. This is chiefly because the jobber, who in most mills takes on the *badlis*, finds it profitable to have as many *badlis* as he can possibly get.

This large number of *badli*s is of no advantage to anyone except the jobber. It is a great loss to the mill. A casual *badli* getting employment one day at one mill and another day at another mill has no responsibility towards the mill in which he is working. He knows that the mill cannot penalise him for his inefficiency. In addition, he loses a lot of time in finding out the stores or getting to know different types of machines at different mills. In addition, this amount of casual labour is a constant source of labour trouble. The ranks of the communist and other unions are full of *badli*s doing casual work in the mills.

What is very necessary to improve the efficiency in the mill and to minimise the discontent, is to introduce some form of *badli* control in all the mills of Bombay. This could be achieved even if absenteeism which of course leads to the employment of the *badli*s was not reduced.

The more important points of any *badli* control system are as under :—

1. Special *badli* cards should be given to all *badli*s working in a mill on a particular day. Most of the mills, we understand, have already got some form of *badli* card which they give to all *badli*s except weavers with the ticket number written on it. In the *badli* control system it will be necessary to give *badli* cards with the loom number written on it even to the *badli* weavers who may be paid directly by the permanent weavers. All mills maintain musters for *badli*s other than piece-workers. Under the control system it will be necessary to record in a rough book the names of all *badli*s including piece-workers irrespective of whether they are being paid directly by the permanent workers or by the mill.

2. On the following day after the cards have been introduced, any *badli* having a card should be given preferential employment for available vacancies. A *badli* card-holder should be employed on a similar occupation *under any jobber* in the same department in preference to a new *badli*. A *badli* worker of one department should not be engaged in another department in the same month.

3. Only after the number of *badli*s with cards wanting employment has been exhausted, should new *badli*s be employed. These will be given fresh *badli* cards.

This system should go on from day to day and month to month. At the beginning of a new month, fresh cards should be given to the same *badli*s, and their old cards recovered from them.

4. In order to ensure that the *badli*s who have got cards attend the mills regularly for employment from day to day, heads of departments should initial the cards of *badli*s on each day that they attended the mill but could not get work. The heads of departments should initial such cards before the *badli*s are allowed to leave the mill premises.

5. In order to ensure that the system is being worked in a satisfactory way it would be necessary to employ a timekeeper or a ticket boy to wait at the mill-gate for an hour or so after starting time to record the number of *badli*s with cards leaving the mill without employment from different departments so that when fresh *badli* cards are demanded from new *badli*s on any day, the heads of the Department would be able to check up whether new men were being engaged in preference to *badli*s with cards.

6. Efforts might also be made by Managers and Departmental Heads to see that before a man is engaged on a permanent basis he has worked as a *badli* for several months and has had *badli* cards regularly during that period.

7. Managers might find it useful to have statements made from time to time of the number of *badli*s engaged in each major department to watch how the system is progressing.

APPENDIX 14.

WORKMEN'S COMPENSATION—OCCUPATIONAL DISEASES.

Copy of letter No. 2212, dated the 27th/29th June 1935, from the Commissioner of Labour, Bombay, to the Association.

I have the honour to state that I have been directed by Government to forward for your information a copy of the Government of India, Department of Industries and Labour, letter No. L.-1821, dated the 15th May 1935, on the above subject and to request you to furnish me with your views on the advisability of including all or any of the diseases mentioned in para 3 of the Government of India letter in Schedule III of the Workmen's Compensation Act. I shall also be glad to have any information you may have regarding the incidence of these diseases among workers engaged in the various occupations with which these diseases are associated.

2. I am to request that your reply may please be sent so as to reach this office by the 1st August 1935 at the latest.

Copy of letter No. L-1821, dated the 15th May 1935, from the Deputy Secretary to the Government of India, Department of Industries and Labour, Simla, to All Major Local Governments (Except the Government of the N. W. F. P.).

Subject :—WORKMEN'S COMPENSATION FOR OCCUPATIONAL DISEASES.

I am directed to address you regarding the Draft Convention concerning Workmen's Compensation for Occupational Diseases (Revised 1934).

2. This Convention is in partial revision of a similar Convention adopted by the Conference of 1925. Copies of Articles 1 and 2 of both Conventions are enclosed for reference : the remaining Articles are formal. The Convention of 1925 was ratified by India, and the provisions of the Workmen's Compensation Act, 1923, were brought into conformity with it. The questions for determination are whether the Convention of 1934 should be ratified by India, and if not whether it is desirable to include in Schedule III of the Workmen's Compensation Act any of the diseases mentioned in Article 2 of the Convention which are not already so included.

3. The diseases mentioned in that article and not covered by section 3 read with Schedule III of the Act are :—

- (1) Silicosis ;
- (2) Arsenic Poisoning ;
- (3) Poisoning by the halogen derivatives of hydro-carbons of the aliphatic series ;
- (4) Pathological manifestations due to radium and other radio-active substances or to X-rays ;
- (5) Primary epitheliomatous cancer of the skin.

Anthrax infection, and lead, mercury, phosphorus, and benzene poisoning are all covered by the law as it stands though in some of these cases the Convention differs slightly from the Act.

4. Special importance was attached to silicosis by the experts responsible for drafting the Convention. I am to invite the attention of the Local Government to—

- (1) the Blue-Grey report on workmen's compensation for occupational diseases prepared for the 18th Session of the Conference.
- (2) the report of the Committee on occupational diseases at pages 639—646 of the Record of Proceedings of the 18th Session of the Conference; and
- (3) the debate on the report of the Committee at pages 295—311 of the same Record.

These documents have already been communicated to the Local Government. There is now definite evidence that silicosis occurs among workers in the Mysore Gold Mines, and some account of the investigations instituted by the Mysore Government will be found in paragraph 228 of Vol. I of the Annual Report of the Public Health Commissioner with the Government of India for 1932. The disease is associated in other countries not only with gold mining but with many common industrial processes of which sand-blasting, the manufacture of china, glass and pottery, and stone cutting are examples. The absence of evidence of the existence of the disease in British India is probably due to failure to associate diseases of the lungs falling under the head of silicosis with particular industrial occupations. I am to request that enquiries may be made as to the incidence of diseases of the lungs among workers engaged in the operations mentioned above or other "dusty" trades and that the Government of India may be informed of the results. If there is evidence of the existence of silicosis in association with certain trades, its accurate diagnosis may present difficulties. The disease cannot ordinarily be definitely diagnosed except by experts equipped with radiological apparatus, and the Government of India would be glad to know whether, in the opinion of the Local Government, there are in any area sufficient facilities for the diagnosis of the disease for the purposes of workmen's compensation.

5. Whether it is decided to include silicosis in Schedule III of the Workmen's Compensation Act or not, the risk of the disease can be minimised by the use of protective apparatus. In some factories, e.g., railway workshops, special measures are already taken to protect workers from the dangers incidental to sand-blasting, and it is possible that the application of suitable regulations might have a substantial effect in reducing the incidence of the disease. I am to request that this possibility may be borne in mind by the Local Government and that, if necessary, recommendations may be made for the regulation under section 33 (4) of the Factories Act, 1934, of operations which expose persons employed upon them to the risk of contracting silicosis.

6. The Government of India have no information bearing on the incidence of the other diseases mentioned above and would be glad to have particulars.

Oxide of arsenic may be used as a preservative of hides, skins, and furs, and red orpiment as a depilatory in tanyards. It is possible that these substances are used in the hide and skin trade and in tanneries in India, and enquiries as to the incidence of arsenic poisoning might be made accordingly.

The most important of the halogen derivatives of the hydrocarbons of the aliphatic series is the substance known as lead tetra-ethyl or lead ethide, which is commonly mixed with petrol. The attention of the Local Government has already been drawn to the poisonous nature of this substance, and rules to regulate its use under the Factories Act, 1934, are under consideration. The Government of India understand that the process of mixing lead tetra-ethyl with petrol is carried on at only two or three centres, and is carefully controlled by the oil-companies. It is this process that is most likely to give rise to poisoning. Processes involving the manufacture of chloroform or iodoform would also require examination in this connection.

Epitheliomatous cancer of the skin is associated with the handling or use of tar, pitch, bitumen, mineral oil, or paraffin, or any compound, product, or residue of these substances.

7. I am to suggest that in dealing with this part of the present reference the consideration of the subject should not be limited to workmen already brought within the Workmen's Compensation Act. Under Section 2 (3) of the Act it is possible to add to Schedule II any class of persons employed in a hazardous occupation, either without qualification or in respect of specified injuries only, and the inclusion in the Schedule of any class of employees who are not now "workmen" but whose occupations expose them to the hazard of these diseases might well be considered. For example, while it is possible that none of the existing classes of "workmen" is exposed to the risk of injury from radio-active substances this is a risk to which certain employees in hospitals are exposed in other countries, and may be exposed in India. It would be possible to add a specified class, or specified classes, of hospital workers to Schedule II in respect only of injury or disease arising from the handling or use of radio-active substances.

8. I am to request that the Local Government, after such inquiries as it is in a position to make, will forward their views on the advisability of including all or any of the diseases in question in Schedule III of the Workmen's Compensation Act. A reply may kindly be sent so as to reach the Government of India not later than the 15th September 1935.

Draft Convention concerning workmen's compensation for occupational diseases (1925).

ARTICLE 1.

Each Member of the International Labour Organization which ratifies this Convention undertakes to provide that compensation shall be payable to workmen incapacitated by occupational diseases, or, in case of death from such diseases, to their dependants, in accordance with the general principles of the national legislation relating to compensation for industrial accidents.

The rates of such compensation shall be not less than those prescribed by the national legislation for injury resulting from industrial accidents. Subject to this provision, each Member, in determining in its national law or regulations the conditions under which compensation for the said diseases shall be payable, and in applying to the said diseases its legislation in regard to compensation for industrial accidents, may make such modifications and adaptations as it thinks expedient.

ARTICLE 2.

Each Member of the International Labour Organization which ratifies this Convention undertakes to consider as occupational diseases those diseases and poisonings produced by the substances set forth in the Schedule appended hereto, when such diseases or such poisonings affect workers engaged in the trades or industries placed opposite in the said Schedule, and result from occupation in an undertaking covered by the said national legislation.

SCHEDULE.

<i>List of diseases and toxic substances.</i>	<i>List of corresponding industries and processes.</i>
Poisoning by lead, its alloys or compounds and their sequelae.	Handling of ore containing lead, including fine shot in zinc factories.
	Casting of old zinc and lead in ingots.
	Manufacture of articles made of cast lead or of lead alloys.
	Employment in the polygraphic industries.
	Manufacture of lead compounds.
	Manufacture and repair of electric accumulators.
	Preparation and use of enamels containing lead.
	Polishing by means of lead files or putty powder with a lead content.
	All painting operations involving the preparation and manipulation of coating substances, cements or colouring substances containing lead pigments.

Draft Convention concerning workmen's compensation for occupational diseases (Revised 1934).

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Each Member of the International Labour Organization which ratifies this Convention undertakes to consider as occupational diseases those diseases and poisonings produced by the substances set forth in the Schedule appended hereto, when such diseases or such poisonings affect workers engaged in the trades, industries or processes placed opposite in the said Schedule, and result from occupation in an undertaking covered by the said national legislation.

SCHEDULE.

<i>List of diseases and toxic substances.</i>	<i>List of corresponding trades, industries or processes.</i>
Poisoning by lead, its alloys or compounds and their sequelae.	Handling of ore containing lead, including fine shot in zinc factories.
	Casting of old zinc and lead in ingots.
	Manufacture of articles made of cast lead or of lead alloys.
	Employment in the polygraphic industries.
	Manufacture of lead compounds.
	Manufacture and repair of electric accumulators.
	Preparation and use of enamels containing lead.
	Polishing by means of lead files or putty powder with a lead content.
	All painting operations involving the preparation and manipulation of coating substances, cements or colouring substances containing lead pigments.

Draft Convention concerning workmen's compensation for occupational diseases (1925).

SCHEDULE.

<i>List of diseases and toxic substances.</i>	<i>List of corresponding trades, industries or processes.</i>
Poisoning by mercury, its amalgams and compounds and their sequelae.	Handling of mercury ore. Manufacture of mercury compounds. Manufacture of measuring and laboratory apparatus. Preparation of raw material for the hat-making industry. Hot gilding. Use of mercury pumps in the manufacture of incandescent lamps. Manufacture of fulminate of mercury primers.
Anthrax infection	Work in connection with animals infected with anthrax. Handling of animal carcasses or parts of such carcasses including hides, hoofs and horns. Loading and unloading or transport of merchandise.
	Silicosis with or without pulmonary tuberculosis, provided that silicosis is an essential factor in causing the resultant incapacity or death.
	Phosphorus poisoning by phosphorus or its compounds, and its sequelae.
	Arsenic poisoning by arsenic or its compounds, and its sequelae.
	Poisoning by benzene or its homologues, their nitro- and amido-derivatives, and its sequelae.
	Poisoning by the halogen derivatives of hydrocarbons of the aliphatic series.
	Pathological manifestations due to:— (a) radium and other radio-active substances; (b) X-rays.
	Primary epitheliomatous cancer of the skin.

Draft Convention concerning workmen's compensation for occupational diseases (Revised 1934).

SCHEDULE.

<i>List of diseases and toxic substances.</i>	<i>List of corresponding trades, industries or processes.</i>
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Anthrax infection	Work in connection with animals infected with anthrax. Handling of animal carcasses or parts of such carcasses including hides, hoofs and horns. Loading and unloading or transport of merchandise. Industries or processes recognized by national law or regulations as involving exposure to the risk of silicosis.
	Any process involving the production, liberation or utilization of phosphorus or its compounds.
	Any process involving the production, liberation or utilization of arsenic or its compounds.
	Any process involving the production, liberation or utilization of benzene or its homologues, or their nitro- and amido-derivatives.
	Any process involving the production, liberation or utilization of halogen derivatives of hydrocarbons of the aliphatic series designated by national laws or regulations.
	Any process involving exposure to the action of radium, radio active substances, or X-rays.
	Any process involving the handling or use of tar, pitch, bitumen, mineral oil, paraffin, or the compounds, products or residues of these substances.

Copy of letter No. 1837/156, dated the 29th July 1935, from the Association to the Commissioner of Labour, Bombay.

Subject:—WORKMEN'S COMPENSATION FOR OCCUPATIONAL DISEASES.

I am directed to acknowledge the receipt of your letter No. 2212, dated the 27th/29th June 1935, on the above subject, and to say that my Committee have no objection to the inclusion of the diseases mentioned in paragraph 3 of the Government of India's letter No. L-1821, dated the 15th May 1935, in the list of occupational diseases in Schedule III of the Indian Workmen's Compensation Act.

Copy of letter No. 2617, dated the 31st July 1935, from the Commissioner of Labour, Bombay, to the Association.

I beg to acknowledge the receipt of your letter No. 1837/156, dated 29th July 1935, on the above subject and to express the thanks of the Labour Office therefor.

APPENDIX 15.

SICKNESS INSURANCE.

Copy of letter No. 1526, dated the 24th May 1935, from the Commissioner of Labour, Bombay, to the Association.

I am directed by Government to forward for your information a copy of the Government of India, Department of Industries and Labour, letter No. L-3019, dated the 30th April 1935, on the above subject and to request you to be good enough (1) to furnish this office with the views of your Association on the points raised in paragraphs 4 and 6 of the Government of India letter and (2) to send me full details as in Enclosure 2* of any schemes involving the payment of financial benefits which are actually in operation in any of the industrial establishments known to your Association.

2. I am to request that your reply may kindly be sent so as to reach this office by the 15th August 1935 at the latest.

Copy of letter No. L-3019, dated the 30th April 1935, from the Deputy Secretary to the Government of India, Department of Industries and Labour, Simla, to All Local Governments and Administrations.

Subject :—SICKNESS INSURANCE.

I am directed to address you on the subject of framing a scheme of sickness insurance for industrial workers in India.

2. The subject of sickness insurance was discussed by the Royal Commission on Labour in India at pages 265-269 of their report. The Commission held that the situation called for the exploration of all methods that might lead to the alleviation of the hardships due to the absence of an insurance scheme. They recognized that the statistical material available was insufficient, and recommended that special enquiries should be instituted at selected centres as soon as possible. These preliminary enquiries were to be conducted by the Government of India with the assistance of a small informal Committee drawn from the Central Legislature. The Committee, aided by medical, actuarial and statistical experts would, it was thought, be able to advise as to the nature of the statistics required, the centres where they might be collected, and the means whereby they should be obtained. It was only when these preliminaries had been completed that the question of framing schemes could be examined.

3. This recommendation has been examined in consultation with the Standing Advisory Committee of the Central Legislature attached to this Department. The Committee has had the assistance of the Public Health Commissioner on the medical aspects, and in considering the form in which the statistics should be collected, the Government of India were able informally to secure the advice of the Government Actuary's Department in London. The advice given indicated that an elaborate analysis would be required, over a series of at least five years, of the experience as regards sickness and employment of a representative sample of the industrial population. The requisite statistics would have to be collected on "experience cards" to be completed for each individual worker in the sample by a large number of employers throughout the country. A copy of the form of "experience card" suggested and of the connected instructions is enclosed (Enclosure 1*).

4. The proposals of the Commission are not free from ambiguity. The Commission evidently had in view the possibility of the ultimate establishment of a comprehensive scheme applicable to the workers employed in organized industry, and believed that any such scheme would have to be based upon the statistical enquiry which they recommended. But they attached great importance to actual experience and suggested "A Tentative Scheme" applicable to single establishments, which may have been designed to afford a practical test of the statistical material or may, on the other hand, have been intended for independent adoption. I am to observe that whatever the Commission intended there is in fact no reason why tentative schemes of the kind they suggested should await a statistical foundation. Such schemes as are contemplated on pages 268-9 of the report can be introduced wherever medical facilities are or can be made available, provided that the employers and the workers are willing to make the necessary contributions.

5. The statistical enquiry is thus not the only possible method of approach to the problem, and for the following reasons the Government of India doubt whether any advantage is to be gained by proceeding with it :—

- (a) The maintenance of the experience cards will be a difficult and probably a costly task, which it will be impossible to prevail upon employers to undertake ;
- (b) Even if the administrative and financial difficulties were overcome, statistical results obtained in the absence of benefits would be extremely unreliable because there would be no effective check on their accuracy ;
- (c) So far as the Government of India are aware, no Local Government or large body of employers is at present likely to institute any comprehensive scheme ;
- (d) Even if there were a prospect of a comprehensive scheme being undertaken, it would be a sounder and quicker method of proceeding to institute small empirical schemes, and to build on experience rather than on theory.

6. I am to request that the Government of India may be favoured with the views of the Local Government/your views on the feasibility of a statistical enquiry of the kind contemplated by the Commission, and on the alternative possibility of building on the actual experience gained in the operation of small experimental schemes. With a view to assessing the extent and value of the material already available the Government of India would be glad to receive detailed information in the form appended (Enclosure 2) of any schemes actually in operation in industrial establishments which involve the payment of financial benefits. I am to request that if possible a reply to this letter may be sent by the 31st October next.

Copy of letter No. 1531/138, dated the 26th June 1935, from the Association to the Commissioner of Labour, Bombay.

Subject:—SICKNESS INSURANCE.

I am directed to acknowledge receipt of your letter No. 1526, dated the 24th May 1935, on the above subject requesting the Committee of the Association to express an opinion on the feasibility of a statistical enquiry of the kind contemplated by the Royal Commission on Labour and on the alternative possibility of building on the actual experience gained in the operation of small experimental sickness benefit schemes on the lines suggested by the Commission in single establishments. You further request my Committee to furnish you with full details of any schemes involving the payment of financial benefits, which are actually in operation in any of the industrial establishments known to the Association.

2. My Committee desire to point out at the outset that they cannot claim to have any practical experience of schemes involving payment of sickness benefits. It is true that some years ago certain members of the Association introduced schemes for the payment of

sickness benefits from funds voluntarily raised from contributions made by workers. Most of these schemes had, however, to be abandoned as the workers themselves were unwilling to contribute, though the monthly contribution in each case was as low as 4 annas. I enclose herewith for your information a copy of the sickness benefit fund rules which are at present in force in one of these mills, but it may be pointed out that out of a total number of 7,000 workers employed in the mill, only 30 are members of the fund.

3. The "tentative scheme" which the Royal Commission had in view was based on the assumption that the responsibility for medical aid and for financial benefits would be separated, the former to be undertaken by Government possibly on a non-contributory basis, and the latter through employers on the basis of contributions by themselves and by the workers. In this connection, I am desired to point out that practically all members of the Association have provided facilities for free medical treatment to their operatives at the mill dispensaries and the expenditure incurred is a charge on the industry. Unless industrial establishments were relieved of this burden, it would not be possible for them to undertake further responsibilities in the shape of sickness benefits to their operatives, particularly in these very difficult times. Apart from such considerations, my Committee are of opinion that in view of the difficult nature of the problems involved and the absence of practical experience of any such schemes as are under contemplation, a statistical enquiry on the lines suggested by the Whitley Commission would appear to be absolutely necessary. Unless such an enquiry is undertaken, it would be very inadvisable to proceed with even a "tentative scheme." Holding that opinion, my Committee regret they are unable to express any views on the main issues involved in the recommendation made by the Whitley Commission.

SICKNESS BENEFIT FUND RULES.

- (i) This is a voluntary Fund and not compulsory.
- (ii) The benefit of the Fund shall be open to all employees of the Mills, irrespective of their salaries or wages.
- (iii) Any employee of the Mill can become a member of the Fund by contributing 8 annas monthly to the Fund.
- (iv) Any member of the Fund whose sickness is prolonged beyond 3 days will be entitled to the benefit of the fund.
- (v) In the case of sickness a member should obtain a certificate from the Mill doctor.
- (vi) Each member on production of the Mill doctor's certificate will be paid an allowance at the rate of Rs. 25 per month upto 6 weeks for the number of days he is sick, and at the rate of Rs. 15 per month up to 8 weeks further on if the sickness be prolonged. The allowance will in any case cease after a period of 14 weeks.
- (vii) The allowance will be the same, irrespective of the pay, position or length of service of the member claiming the benefit of the Fund.
- (viii) A member, whether he has had occasion to take advantage of the benefits of the Fund or not, shall not be entitled to any refund of the amount contributed by him on his ceasing to be a member of the Fund, or leaving the service of the Company.
- (ix) On all questions of administration of the Fund the Mill Manager's authority shall be final.
- (x) In case of serious injury to a member, such member who has already received a lump sum as compensation for the injury, will not be entitled to the benefit of the Fund.
- (xi) A member obtaining the benefit of the Fund shall obey the instructions of the doctor attending him and shall answer any reasonable inquiries by the Manager of the Fund as to the instructions given by the doctor.
- (xii) No member shall have right to Sickness Benefit unless he has been a member for two months and has paid two monthly contributions.

APPENDIX 16.

HOLIDAYS WITH PAY.

Copy of letter No. 1211, dated the 24th/26th April 1935, from the Commissioner of Labour, Secretariat, Bombay, to the Association.

I have the honour to state that I have been directed by Government to forward for your information a copy of the Government of India, Department of Industries and Labour, letter No. L-1831, dated the 1st April 1935, on the above subject and to request you to furnish me with your views on the proposals referred to in para 2 of the Government of India letter. I also attach a questionnaire containing specific points relevant to the proposals in question and shall be glad if you will kindly submit your views classified under the various points in the questionnaire.

2. I am to request that your reply may please be sent so as to reach this office by the 15th August 1935 at the latest.

Copy of Circular No. L-1831, dated the 1st April 1935, from the Deputy Secretary to the Government of India, New Delhi, to all Local Governments and Administrations.

Subject :—HOLIDAYS WITH PAY.

I am directed to say that the subject of "Holidays with Pay" will come up for first discussion at the 19th Session of the International Labour Conference which will be held in Geneva in June 1935. If the Conference decides that the matter is suitable to form the subject of a draft Convention or Recommendation, it will determine the points on which the Governments of the Member States should be consulted. The views expressed by the Governments on those points will then form the basis of the second and final discussion.

2. The proposals to be put before the Conference at its next session contemplate :—

- (i) that annual holidays with pay should be granted to workers other than those engaged in agriculture or shipping ;
- (ii) that a minimum period of service under one employer should be prescribed after which a worker will be eligible for "Holidays with Pay," special provision being made for seasonal workers and those engaged in other occupations, e.g., the building trades, where frequent changes of employers are the rule ; and
- (iii) that the period of the holiday and the pay to be granted to the workers during holidays should be fixed on some definite basis.

3. The Royal Commission on Labour considered the question of holidays for factory workers on pages 26 and 27 of their Report and made two Recommendations, Nos. 4 and 5, in this connection. The Government of India have adopted the principle underlying these recommendations in dealing with their own industrial employees and have found it of advantage from the point of view of increased efficiency. They recognize that, in view of the migratory character of much Indian labour, there are administrative difficulties in applying generally any compulsory scheme to private factories or other establishments. Moreover, in consequence of the high rate of turnover in many industries and establishments, the result of a scheme on the lines contemplated might be a general lowering of wages and a comparatively heavy tax on industry for the benefit of a limited number of workers. On the other hand, the provision of holidays with pay, if these were conditional on regular attendance for a reasonable period, might have appreciable effects in reducing turnover and

encouraging more steady work. In view of the importance of the subject, the Government of India will be glad to be furnished with detailed information of any action taken by leading employers on Recommendations 4 and 5 of the Royal Commission on Labour. They would also be grateful for the views of the Local Government on the practicability and desirability of the proposals mentioned in the preceding paragraph; and on the attitude to be adopted when the proposals come up for final discussion by the Conference of 1936.

4. I am to request that after consultation of organizations of employers and employed, a reply may kindly be sent to this letter by the 1st November 1935.

HOLIDAYS WITH PAY.

Questionnaire.

1. Do you agree that annual holidays with pay should be granted to workers other than those engaged in agriculture or shipping?

2. What form should the international regulations on the subject take: a Draft Convention or a Recommendation?

(*Note.*—A Draft Convention constitutes a binding international obligation and a Member-State ratifying it has to report yearly to the International Labour Office on the measures taken by it to fulfil the obligation; whereas there is no such obligation to be discharged in respect of a Recommendation.)

3. Do you think that the following definition would be satisfactory?

“The term ‘annual holidays with pay for employed persons’ signifies a number, which shall be determined in advance, of consecutive days, other than public holidays and days of sickness and convalescence, during which each employed person who has fulfilled certain conditions in respect of service ceases work every year while continuing to receive his habitual remuneration.”

4. What classes of undertakings should be included and what classes of workers or undertakings excluded from the scope of the regulations?

5. (a) Do you consider that the right to a holiday should be made conditional on completion of a minimum uninterrupted period of service by the employed person with the same employer?

(b) If the answer to (a) be in the affirmative, what should be the length of the minimum period?

(c) What other conditions do you think should be included in the international regulations?

(d) What special provisions would you suggest for seasonal workers and those engaged in building trades and other occupations where employment is intermittent?

6. (a) What should be the length of the holiday corresponding to the minimum period of service?

(b) What should be the rate of increase in the length of the holiday in proportion to the length of service?

(c) Should Sundays and public holidays be included or excluded?

(d) Should any restriction be imposed on the sub-division of the holiday?

(e) Would you suggest any special holiday schemes for particular occupations and for apprentices ?

7. Should the international regulations make any provision for loss of right to holidays, and if so, under what circumstances.

8. Do you agree that the following rule should apply to holiday pay ?

“ Pay at the usual rate in proportion to the length of the holiday for workers on fixed wages ; and pay calculated by averaging over a period of some length for all workers whose remuneration varies with output ? ”

Copy of letter No. 1968/111, dated the 15th August 1935, from the Association to the Commissioner of Labour, Bombay.

HOLIDAYS WITH PAY.

I am directed to refer you to your letter No. 1211, dated the 26th April 1935, in which my Committee had been requested to express an opinion on certain proposals, which, it is understood, will be placed before the next Session of the International Labour Conference on the above subject. Attention had also been drawn to certain recommendations made by the Royal Commission on Labour in India on this question, and my Committee had also been requested to furnish Government with detailed information of any action taken by leading employers on the lines laid down by the Commission.

My Committee have carefully considered the matter. They hold that, from a strictly humanitarian point of view, nothing could be said against the proposals, but so far as the Bombay Cotton Mill Industry is concerned, they desire to draw Government's attention to certain considerations of a practical character, outlined below, which would arise in connection with the application of this measure.

(a) As an argument in favour of the proposed measure, it has been pointed out in Mr. Jenkins' letter that the provision of holidays with pay, if these were made conditional on regular attendance for a reasonable period, might have appreciable effects in reducing turnover and encouraging more steady work. This statement, in my Committee's opinion, requires some qualification. It has been estimated that not more than 25 per cent. of Bombay's textile labour force can be classified as " permanent." The rest, recruited mostly from the surrounding districts of Ratnagiri, Kolaba, etc., and from the United Provinces of Agra and Oudh, find employment in cotton mills from economic necessity. These people, as pointed out by the Royal Commission on Labour, cherish the hope of returning to their country now and then and retire there ultimately, and in any event, the continuous period spent by the average worker in an industrial establishment is brief. It, therefore, follows that the extent of the benefits, which it is claimed might accrue to the employer as a result of the adoption of this proposal, would be somewhat restricted in actual practice.

This conclusion is also borne out by an examination of the leave records of a few groups of mills in Bombay, from which it would appear that about 50 per cent. of the operatives absent themselves from work for varying periods during the year, a good proportion of them taking leave for periods exceeding 30 days at a time. The period of absence in each case appears to have been regulated by certain social and economic considerations over which neither the employers nor the workers have any direct control. In the circumstances, my Committee are inclined seriously to doubt whether the proposal, if adopted, could be utilized under ordinary circumstances, by a majority of workers unless the leave granted is about a month in a year, which, of course, would be an impracticable proposition so far as the employers in the Bombay Cotton Textile Industry are concerned.

(b) According to the information available to my Committee, there seems to be a " leave season " for operatives, when applications for leave are more numerous than at

other times in the year. It is considered that leave with pay would only accentuate this tendency, and thus adversely affect the efficiency of the mills in the "leave season" as the mills would perforce have to rely upon *badi* labour, which is of only a casual nature.

(c) Another point which my Committee desire to mention is that the expenditure involved in granting a holiday with pay would, in view of the present state of the Textile Industry, be a heavy charge, and taking into consideration the fact that several Bombay Mills have already committed themselves to welfare work such as the establishment of Creches in Mills, etc., they are inclined to the view that further schemes for the amelioration of the condition of workers on the lines indicated in Government's communication should only be considered when the industry is in a happier financial position than at present.

(d) It may also be pointed out—and this arises from the fact that Bombay and Ahmedabad probably pay the highest wages in India—that this proposal will affect these two centres more heavily than other centres of the Industry in India.

(e) My Committee would also like to point out that even in the most industrially advanced countries in the West, the principle of a holiday with pay to the workers appears to be unheard of, and there is no special reason why it should be introduced in India where conditions are so different as to make it entirely unworkable, and we consider it would discourage thrift. In England, workers provide for their holiday through the medium of their 'Savings Clubs' specially organized for this purpose.

Under all these circumstances, the proposals of the Whitley Commission are, in the opinion of my Committee, neither practicable nor desirable so far as this industry is concerned.

My Committee also desire to take advantage of this opportunity to invite Government's attention to another aspect of the matter. The adherence of the Government of India to the Conventions adopted at the various International Labour Conferences places mills in British India at a disadvantage in competing with mills in Indian States which are neither parties to the Convention nor are bound to give legislative effect to such Conventions. It may be pointed out that, situated as they are in close proximity to cotton producing and cloth consuming centres, mills in Indian States already possess an advantage over most of the mills situated in British India, and the increase in the cost of production, which would follow on the adoption of the various International Conventions in British Indian Mills, would give further encouragement to the development of the textile industry in Indian States. My Committee would, for instance, cite the 9-hour day which has been introduced in cotton mills in British India but which, so far as they are aware, has not been given effect to by many Indian States. Under these circumstances, my Committee feel that, before committing themselves to any sort of an International Convention in this and other labour matters, Government might ensure that Indian States also undertake to give legislative effect to these Conventions.

My Committee regret that they have no detailed information about any system of holidays with pay introduced by large employers in this country. They understand, however, that Messrs. Buckingham and Carnatic Co., Ltd., Madras, have a system of holidays with pay. In their case it would appear that workmen generally prefer to take their privilege leave in short periods of one or two days per month until they have exhausted the total period allowed by the Company. There is also a large demand for privilege leave at certain times of the year, and it would appear that the Company have to maintain a sufficiently large permanent staff on their muster rolls to avoid dislocation of work during the leave season.

*Copy of letter No. 2814, dated the 19th August 1935, from the Labour Office,
Secretary, Bombay, to the Association.*

Subject :—HOLIDAYS WITH PAY.

I beg to acknowledge the receipt of your letter No. 1968-111, dated the 15th August 1935, on the above subject and to express the thanks of the Labour Office therefor.

APPENDIX 17.

PROMPT PAYMENT OF WAGES BILL.

Report of the Select Committee on the Bill to regulate the payment of wages to certain classes of persons employed in industry ; with the Bill as amended by the Select Committee.

We, the undersigned, members of the Select Committee to which the Bill to regulate the payment of wages to certain classes of persons employed in industry was referred, have considered the Bill and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

We desire to acknowledge the valuable assistance given to us by Mr. N. A. Mehrban, Assistant Commissioner of Labour, Bombay, who attended our sessions and placed at our disposal his intimate knowledge on the subject of payment of wages.

Clause 1.—In sub-clause (4) we have deleted the words which exempted the railways, other than railway factories, from the operation of the provisions relating to prompt payment. In place of this we have modified clause 5 so as to enable the Government of India to exempt railway services to the extent that may be necessary.

In sub-clause (5) we have deleted the words which would have enabled Local Governments in extending the provisions of the Act to do so in a relaxed form.

We have raised the limit of wages in sub-clause (6) from one hundred to two hundred rupees.

Clause 2.—We have recast the definition of " industrial establishment " and enlarged it by including inland steam-vessels, tramways, and docks, wharves and jetties. We have also revised the definition of " wages." It seemed to us that in its original form it would have made it possible for an employer to circumvent the provisions relating to deductions by attaching conditions to the payment of wages, in whole or in part, and forfeiting substantial sums for non-fulfilment of such conditions. Our revised definition is designed to include in wages everything which the workman would receive if he fulfilled all the conditions while section 7 ensures that deductions for non-fulfilment of the conditions or for other reasons, are limited to those permitted by the Bill.

Clause 3.—We have recast this clause. One object of the redraft is to make it clear that the employer or other person need not pay wages personally, but is responsible for their payment. In respect of contractors, the intention is that the contractor should be responsible for payment where he undertakes actual work for the principal employer and is in charge of the labour, and that the principal employer or his manager should be responsible where the contractor merely contracts for the supply of labour to the employer.

Clause 4.—The change places the responsibility on the person responsible for the payment of wages.

Clause 5.—Sub-clause (1) formerly provided for the payment of wages within seven days but allowed an extension, where the seventh day was not a working day, to the first working day thereafter. We consider that extension undesirable and have not only deleted the reference to it, but have, by providing for payment on a working day, further reduced the period that will be available in some cases. At the same time, we have, by a majority, allowed three additional days for large establishments.

We have omitted the original sub-clause (3) which gave Local Governments the power of exemption and have in place of this modified clauses 15 and 21 so as to secure the employer against penalty where he could not reasonably have complied with the provision.

The new sub-clause (3) has been explained in the note on clause 1. The new sub-clause (4) is designed primarily to secure that holidays are not rendered incomplete by the necessity of the employee attending the factory or other establishment.

Clause 6.—We consider that in industry the payment of wages in kind lends itself to abuse and that the practice, prevalent in a few factories, of paying in grain, should now be stopped. We have therefore added this provision.

Clause 7 (formerly clause 6).—We have restricted the list in sub-clause (2) to a definition of the types of permissible deduction and have removed certain substantive prescriptions formerly included here to other clauses. We have added a provision for deductions on account of absence as, particularly with our revised definition of wages, the employer would otherwise have been obliged to pay wages to men who failed to appear for work. Conditions to govern such deductions are contained in the new clause 9.

Clause 8 (formerly clause 7).—The Bill originally gave Local Governments the power to prescribe the acts or omissions for which fines could be imposed. We consider that this would be an invidious task and that the prescription of official lists might encourage some of the numerous employers who never impose fines to institute the practice. We have therefore left it to employers to frame their lists and to secure official approval. Where no list is submitted, no fines will be legal.

In sub-clause (4) we have substituted "wage-period" for "month" as the original provision would have given serious difficulty in administration where the wage-period is less than a month.

We have provided in this and in clause 10 for the right of explanation by the workmen and for a procedure in imposing fines and deductions, as well as their entry in a register. We consider it desirable that the procedure should include the supply to the workmen of a written statement giving particulars of the deduction and the reason for it.

Clause 9.—See note on clause 7.

Clause 10 (formerly clause 8).—See note on clause 8.

Clause 11 (formerly clause 9) and Clause 13.—The concluding part of clause 11 and the whole of clause 13 represent transfers, with minor modifications, of prescriptions formerly embodied in clause 6 (2).

Clause 12.—Most of this clause represents a transfer from the former clause 6 (2); but following a recommendation of the Royal Commission on Labour we have added a prohibition of the recovery of travelling expenses.

Clause 14 (formerly clause 11).—The alteration in sub-clause (2) is designed to enable Government to appoint persons who are independent of the railway authorities and some of us consider that only such persons should be appointed.

Clause 15 (formerly clause 12).—We have defined the qualifications of the authority to be appointed on applications.

By a majority, we have given the authority power to extend the period laid down by sub-clause (2); some of us would have preferred to fix the period at a year instead of six months.

We were equally divided regarding the desirability of retaining sub-clause (5), but have agreed that if it is to be retained, there should be provision for an appeal and have modified clause 17 accordingly.

Clause 16 (formerly clause 13).—Sub-clause (3) has been added to secure expedition.

Clause 17 (formerly clause 14).—We have specified the appellate authorities. See also note on clause 15.

Clause 19.—This is designed to preserve the employed person's right to recover wages and enables him to recover compensation, from his employer.

Clause 20 (formerly clause 16).—See note on clause 26.

Clause 21 (formerly clause 17).—See note on clause 5.

Clause 25.—We have added this clause.

Clause 26 (formerly clause 10).—We have transferred the power to prescribe the procedure of the tribunals to the Government of India as we consider that there is no need for provincial variations, and we have provided for three months' previous notice of rules so as to ensure adequate consultation with the interests concerned.

Sub-clause (4) reproduces part of the former clause 16 (2) in such a form that the penalty can be adjusted to the offence. We have doubled the maximum penalty.

The other changes are mostly consequential.

2. The Bill was published in the *Gazette of India*, dated the 16th February 1935.

3. We think that the Bill has not been so altered as to require re-publication, and we recommend that it be passed as now amended.

N. N. SROAR.

F. NOYCE.

*H. P. MODY.

*N. M. JOSHI.

SYED GHULAM BHIK NAIRANG.

A. G. CLOW.

P. R. RAU.

*MOHAN LAL SAKSENA.

*AMARENDRANATH CHATTOPADHYAYA.

*B. B. VARMA.

*V. V. GIRI.

*S. K. HOSMANI.

*S. SATYAMURTI.

R. D. DALAL.

J. A. MILLIGAN.

A. AZIZ.

Dated the 1st June 1935.

MINUTES OF DISSENT.

I have various objections to the Bill as it has emerged from the Select Committee, but in this Minute of Dissent, I shall confine myself to just a few matters of importance.

2. *Clause 7 (2).*—Clause 7 (2) of the Bill gives a list of the deductions which may be made from wages. This list does not include forfeiture of wages in lieu of notice, and thus takes away the right which an employer now has under the terms of any special contract he may have with his workman, of deducting the amount of such forfeiture from the wages due. The question was discussed at great length by the Bombay Strike Enquiry Committee presided over by Mr. Justice Fawcett, and they held that "if any permanent operative leaves service without notice, he shall be liable to forfeit by way of liquidated damages, at the discretion of the Manager, the whole or part of the wages due to him for the 14 days immediately prior to his so leaving." As far as the Bombay Mills are concerned the right of forfeiture has not been exercised except in very special circumstances, but that is no reason why it should be abolished altogether. It was argued in the Select Committee that an employer would not be penalised by the omission of this type of deduction from the list of permissible deductions from wages since he would have his remedy at common law, and could sue the workman for breach of contract. I maintain that the common law remedy, to which the Select Committee referred, is no remedy whatsoever in the case of a workman in India who, on leaving employment without notice, is, more often than not, absolutely

* Subject to a minute or minutes of dissent.

untraceable, and even if traceable, cannot be made to pay for the loss suffered by the employer owing to the breach of contract which has taken place. In the circumstances, the best method of recovering the compensation due to the employer for the operative's failure to give the prescribed notice would be by means of a deduction from the wages due to him. If the Bill is passed into law as it stands employers in future would be justified in withdrawing the reciprocal privilege which workmen now enjoy, at least in the Bombay Cotton Textile Industry, of receiving 14 days' notice, or 13 days' wages before their employment can be terminated. There are several ways in which this can be done, and it would mean a reversion to the old system which would be deplorable.

3. The next point I desire to make in connection with this clause is the absence from the list of permissible deductions of a clause authorizing recovery of cost of cloth damaged by the operative on account of his own negligence. The Bill contemplates a fine for bad and defective workmanship, but the total amount of fine which may be imposed on an operative in any one month is not to exceed half an anna in the rupee of his total monthly wage. This limit is very low; on account of the diversification in production which has taken place in the Textile Industry as a result of the Noyce Committee's recommendations, the value of cloth at present passing through the hands of the operative is much more than it was a few years ago, and the small amount of fine contemplated in the Bill would neither bear any proportion to the monetary value of the damage inflicted, nor act as a deterrent to bad or careless workmanship. This question was also discussed before the Fawcett Enquiry Committee, who held that "it would be clearly unreasonable for the employer not to have power to recover compensation for damage caused by the negligence of a weaver, by fine or deduction from wages." They further stated that "the limit of 2 per cent. of an operative's total earnings for a month (imposed in the Millowners' Association then Standing Orders for Operatives) would be too small to cover such losses in most cases," and therefore suggested that "a separate provision should be made for fines for damaged cloth which should be fixed on a compensatory basis not exceeding the estimated loss to the mill owing to the damage." This recommendation was subsequently accepted by the Millowners' Association, and a rule was framed which in its operation has been found to work very well in Bombay, and has created no hardship. Even the Whitley Commission recommended that "the law should provide that deduction should in no case exceed the wholesale price of the goods damaged." My contention, therefore, is that the limit of fine in case of bad workmanship is altogether inadequate, and falls far short of the authoritative findings of two expert committees.

4. Another issue arises out of the list of permissible deductions included in clause 7 (2). I see from the notes appended against clause 6 that "the practice prevalent in a few factories of paying in grain should now be stopped." Does this mean that the cost of grain, cloth, etc., supplied to the operative by the employer would not be a deduction admissible under clause 7 (2)? If so, grain and cloth shops, canteens and the like which have been established by many mills for the benefit of their operatives, and which serve a really useful purpose, might have to be closed down, and extortionate money-lenders and shop-keepers might take their place.

5. Clause 8 (8) lays down that fines realized "shall be *applied only* to such purposes beneficial to the persons employed in the factory as are approved by the prescribed authority." According to the Standing Orders for Operatives laid down by the Millowners' Association, Bombay, all fines imposed are credited to a Welfare Fund, and utilized for such benefit or benefits to the operatives as the Mill Company may determine. Discretion in the matter of utilizing such amounts must rest with the employer. After all, when a fine is imposed, it necessarily follows that the employer has suffered at least a corresponding financial loss, and it is, therefore, really his money which is credited to the Fund, and provided it is spent for the benefit of the workpeople, there should be no outside interference at all.

6. I may add that, in the views I have expressed with regard to fines for bad workmanship, deductions for supplies to workmen and the manner of the utilization of fines, I have the concurrence of a number of employers' organizations in various parts of India.

H. P. MODY.

Section 1, Clause (4).—We feel that the Bill is too limited in its application ; it should be made applicable to all factories and workshops where twenty or more persons are employed.

Section 2, Clause (ii).—We are of the opinion that the Act should apply directly to industries such as docks, tramways, oil wells and plantations including in the last category sugar plantations wherever such are run by sugar mills, and to seamen.

Section 4 (2).—We are of the view that the Government of India should have accepted the recommendation for the general adoption of a system of weekly payments, made by the Royal Commission on Labour. If the immediate adoption of the system of weekly payments is regarded as not practicable, we recommend the adoption of at least a fortnightly wage payment system, wherever Trade Unions prefer it.

Section 5, Clause (1).—We do not agree with the change made by the majority of the Committee in allowing a ten days' maximum period for payment of wages in factories employing more than a thousand people.

Section 5, Clause (2).—We state it as our view that where the employment of any person is terminated by or on behalf of the employer, the wage earned by him should be paid on the day of discharge.

As regards payment of wages to heirs of deceased workers, some easy and prompt method of payment should be devised.

In the case of unclaimed wages, facilities should be provided for payment when the claim is made even after a period of six months. If the sum is not claimed within three years, then it should be credited to a fund to be spent for the welfare of the workers.

Section 6.—Most of us are of the view that fines should be abolished altogether.

Section 6, Clause (2A).—We feel it is necessary to define the word "fine" to avoid any misunderstanding as fines may be both direct and indirect ; "Fine" may be, therefore, defined as any monetary loss suffered by an employee by way of reduction in the rate of pay temporarily or permanently in the same grade or scale of pay or deduction of part or the whole of gratuity or employers' contribution to the provident fund or of any allowance, as a penalty.

Section 6 (2) (k).—Most of us are of the view that deductions on account of insurance premium of companies approved by the Government and also contributions towards trade union subscriptions may be permitted so long as the workers express their willingness voluntarily in favour of such deductions.

Section 7, Clause (B).—We are of opinion that provisions should be made to give the employee an opportunity of being heard through a representative of the trade union of which he is a member or any other person whom he may appoint in this behalf. This will be in accordance with the spirit of the recommendations of the Royal Commission on Labour.

Section 7 (3).—If the retention of fines should be insisted upon, we advocate that the imposition of fine should not exceed an amount equal to a quarter of an anna in each rupee of wages earned by a worker in a month. It is an admitted fact that low paid workers do not get an adequate living wage in this country. We suggest, therefore, that a worker getting Rs. 15 or less a month should not be fined.

Section 7 (7).—In our view, the funds accruing from the realization of fines should be administered by a Joint Committee consisting of representatives of the employers and of Trade Unions wherever such exist, and in their absence, of representatives elected by workers.

Section 8.—The suggestion made by us under section 7, clause (3), may be adopted under this section also.

Section 10 (g).—We recommend that the court fees in respect of any proceedings under this Act should not exceed what is provided for in the Workmen's Compensation Act or a maximum of Rs. 5 whichever is less.

Section 12, Clause 3.—We recommend that the words "error or" should be deleted and 'bona fide dispute' to be retained, as we fear that the word 'error' is liable to be misinterpreted and misconstrued.

Section 12, Clause (5).—We are of opinion that the penalty provided for in this section should be only in respect of applications made out of malice and we recommend the deletion of the words 'or vexatious' because they are vague and not capable of proper definition. We are further of opinion that the penalty should not exceed Rs. 25.

The reference in this Minute of Dissent to the clauses of the Bill are as in the Bill as referred to the Select Committee.

S. SATYAMURTI.

B. B. VARMA.

V. V. GIRI.

S. K. HOSMANI.

MOHAN LAL SARSENA.

A. N. CHATTOPADHYAYA.

N. M. JOSHI.

Section 1 (5).—I would give Local Government power to extend the application of the Act to any industry or occupation.

Section 3.—I am not sure whether provision is made in this section for the payment of wages by the employers directly to *bullis* or substitute workers.

Section 5.—When the employment is terminated by the employee with due notice or when he goes on leave, his wages should be paid on the day on which he terminates his service or on the last working day before his leave begins.

Section 7.—I am not in favour of permitting an employer to make deductions on the principle that a deduction may be made so long as the workers express their willingness voluntarily.

Section 7 (E).—The power given is too wide. I would suggest the omission of this sub-section. The reference to *tools and materials* supplied by the employer which was included in the Bill introduced in 1933 is omitted in the present Bill with the *evident object* that there should be no deduction for this purpose. It is open to Local Governments to interpret "service" to include supply of tools and materials. This must be prevented.

Section of British Truck Act of 1887 gives power to employees to appoint auditors of the accounts of the services provided by employers. The Bill should make provision for this.

For proper payment of wages statutory provision should be made for the inspection of weights and measures used by the employers for ascertaining the production for which wages are paid. Such a provision is made by the British Factory Act, section 117. Statutory provision on the lines of British Act of 1919 should also be made for the introduction of a system by which the employees who are paid according to the weight or measurement of the material produced or handled, are permitted to appoint a representative to check weight or measurement of the material produced or handled by them.

The 2nd July 1935.

N. M. JOSHI.

[AS AMENDED BY THE SELECT COMMITTEE.]

(Words printed in italics indicate the amendments suggested by the Committee.)

A Bill to regulate the payment of wages to certain classes of persons employed in industry.

Whereas it is expedient to regulate the payment of wages to certain classes of persons employed in industry ; It is hereby enacted as follows :—

1. *Short title, extent, commencement and application.*—(1) This Act may be called the Payment of Wages Act, 1935.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on such date as the Governor-General in Council may, by notification in the *Gazette of India*, appoint.

(4) *It applies* in the first instance to the payment of wages to persons employed in any factory and * * * to persons * * * employed (*otherwise than in a factory*) upon any railway by a railway administration or, *either directly or through a sub-contractor*, by a person fulfilling a contract with a railway administration.

(5) The Local Government may, after giving three months' notice of its intention of so doing, by notification in the local official *Gazette*, extend the provisions of the Act or any of them * * * to the payment of wages to any class of persons employed in any industrial establishment or in any class or group of industrial establishments.

(6) Nothing in this Act shall apply to * * * wages payable in respect of a wage-period which, over such wage-period, average two hundred rupees a month or more.

2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context,—

(i) "factory" means a factory as defined in clause (j) of section 2 of the Factories Act, 1934 ;

(ii) "industrial establishment" means any—

(a) tramway ;

(b) dock, wharf or jetty ;

(c) inland steam-vessel ;

(d) mine, quarry or oil-field ;

(e) plantation ;

(f) workshop or other establishment in which articles are produced, adapted or manufactured, with a view to their use, transport or sale ;

(iii) "prescribed" means prescribed by rules made under this Act ;*

(iv) "railway administration" has the meaning assigned to it in clause (6) of section 3 of the Indian Railways Act, 1890 ; and

(v) "wages" means all remuneration, * * * capable of being expressed in terms of money,* which would, if the terms of the contract of employment, express or implied, were fulfilled, be payable, whether conditionally upon the regular attendance, good work or conduct or other behaviour of the person employed, or

otherwise, to a person employed in respect of his employment or of work done in such employment, and includes any bonus or other additional remuneration of the nature aforesaid which would be so payable, but does not include—

- (a) the value of any house-accommodation, supply of light, water or medical attendance or other amenity ;
- (b) any contribution paid by the employer to any pension fund or provident fund ;
- (c) any travelling allowance or the value of any travelling concession ;
- (d) any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment ; or
- (e) any gratuity payable on discharge.

3. *Responsibility for payment of wages.*—Every employer shall be responsible for the payment to persons employed by him of all wages required to be paid under this Act :

Provided that, in the case of persons employed—

- (a) *in factories, if a person has been named as the manager of the factory under clause (e) of sub-section (1) of section 9 of the Factories Act, 1934,*
- (b) *in industrial establishments, if there is a person responsible to the employer for the supervision and control of the industrial establishment,*
- (c) *upon railways (otherwise than in factories), if the employer is the railway administration and the railway administration has nominated a person in this behalf for the local area concerned,*

the person so named, the person so responsible to the employer, or the person so nominated, as the case may be, shall be responsible for such payment.

4. *Fixation of wage-periods.*—(1) Every person responsible for the payment of wages under section 3 shall fix periods (in this Act referred to as wage-periods) in respect of which such wages shall be payable.

(2) No wage-period shall exceed one month.

5. *Time of payment of wages.*—(1) The wages of every person employed upon or in—

- (a) *any railway, factory or industrial establishment upon or in which less than one thousand persons are employed, shall be paid before the expiry of the seventh day,*
- (b) *any other railway, factory or industrial establishment, shall be paid before the expiry of the tenth day,*

after the last day of the wage-period in respect of which the wages are payable.

(2) Where the employment of any person is terminated by or on behalf of the employer, the wages earned by him shall be paid before the expiry of the second working day from the day on which his employment is terminated.

(3) *The Governor-General in Council may, by general or special order, exempt, to such extent and subject to such conditions as may be specified in the order, the person responsible for the payment of wages to persons employed upon any railway (otherwise than in a factory) from the operation of this section in respect of the wages of any such persons or class of such persons.*

(4) *All payments of wages shall be made on a working-day.*

6. *Wages to be paid in current coin or currency notes.—All wages shall be paid in current coin or currency notes or in both.*

7. *Deductions which may be made from wages.—(1) Notwithstanding the provisions of sub-section (2) of section 47 of the Indian Railways Act, 1890, the wages of an employed person shall be paid to him without deductions of any kind except those authorized by this Act.*

Explanation.—Every payment made by the employed person to the employer or his agent shall, for the purposes of this Act, be deemed to be a deduction from wages.

(2) *Deductions from the wages of an employed person shall be made only in accordance with the provisions of this Act, and may be of the following kinds only, namely :—*

- (a) *finer ;*
- (b) *deductions for absence from duty ;*
- (c) *deductions for damage to or loss of goods expressly entrusted to the employed person for custody, or for loss of money for which he is required to account, where such damage or loss is directly attributable to his neglect or default ;*
- (d) *deductions for house-accommodation supplied by the employer ;*
- (e) *deductions for such other services supplied by the employer as the Governor-General in Council or * Local Government * * * may, by general or special order, authorize ;*
- (f) *deductions for recovery of advances * * or for adjustment of over-payments of wages ;*
- (g) *deductions * * of income-tax payable by the employed person ;*
- (h) *deductions * * required to be made by order of a Court or other authority competent to make such order ;*
- (i) *deductions for subscriptions to, and for repayment of advances from any provident fund to which the Provident Funds Act, 1925, applies or any recognized provident fund as defined in section 58-A of the Indian Income-tax Act, 1922 ; and*
- (j) *deductions for payments to co-operative * societies approved by the Local Government or to a scheme of insurance maintained by the Indian Post Office.*

8. *Fines.—(1) No fine shall be imposed on any employed person save in respect of such acts and omissions on his part as the employer, with the previous approval of the Local Government or of the prescribed authority, may have specified by notice under sub-section (2).*

(2) *A notice specifying such acts and omissions shall be exhibited in the prescribed manner on the premises in which the employment is carried on, or in the case of persons employed upon a railway (otherwise than in a factory), at the prescribed place or places.*

(3) *No fine shall be imposed on any employed person until he has been given an opportunity of showing cause against the fine, or otherwise than in accordance with such procedure as may be prescribed for the imposition of fines.*

(4) *The total amount of fine which may be imposed * * * in any one wage-period on any employed person shall not exceed an amount equal to half-an-anna in the rupee of the wages payable to him in respect of that wage-period.*

(5) No * * * * fine shall be imposed on any employed person who is under the age of fifteen years.

(6) No fine imposed on any employed person shall be recovered from him by instalments or after the expiry of sixty days from the day on which it was imposed.

(7) Every fine shall be deemed to have been imposed on the day of the act or omission in respect of which it was imposed.

(8) All * * * * fines and all realizations thereof shall be recorded in a register to be kept by the person responsible for the payment of wages under section 3 in such form as may be prescribed; and all such realizations shall be applied only to such purposes beneficial to the persons employed in the factory or establishment as are approved by the prescribed authority.

Explanation.—When the persons employed upon or in any railway, factory or industrial establishment are part only of a staff employed under the same management, all such realization may be credited to a common fund maintained for the staff as a whole, provided that the fund shall be applied only to such purposes as are approved by the prescribed authority.

9. *Deductions for absence from duty.*—(1) Deductions may be made under clause (b) of sub-section (2) of section 7 only on account of the absence of an employed person from the premises where, by the terms of his employment, he is required to work, such absence being for the whole or any part of the period during which he is so required to work.

(2) The amount of such deduction shall in no case bear to the wages payable to the employed person in respect of the wage-period for which the deduction is made a larger proportion than the period for which he was absent bears to the total period, within such wage-period, during which, by the terms of his employment, he was required to work.

10. *Deductions for damage or loss.*—(1) A deduction under clause (c) of sub-section (2) of section 7 shall not exceed the amount of the damage or loss caused to the employer by the neglect or default of the employed person and shall not be made until the employed person has been given an opportunity of showing cause against the deduction, or otherwise than in accordance with such procedure as may be prescribed for the making of such deductions.

(2) All such deductions and all realizations thereof shall be recorded in a register to be kept by the person responsible for the payment of wages under section 3 in such form as may be prescribed.

11. *Deductions for services rendered.*—A deduction under clause (d) or clause (e) of sub-section (2) of section 7 shall not be made from the wages of an employed person, unless the house-accommodation or other service has been accepted by him, as a term of employment or otherwise, and such deduction shall not exceed an amount equivalent to the value of the house-accommodation supplied or the service rendered and, in the case of a deduction under the said clause (e), shall be subject to such conditions as the Governor-General in Council or the Local Government may impose.

12. *Deductions for recovery of advances.*—Deductions under clause (f) of sub-section (2) of section 7 shall be subject to the following conditions, namely:—

(a) recovery of an advance of money given before employment began shall be made from the first payment of wages in respect of a complete wage-period, but no recovery shall be made of such advances given for travelling-expenses;

(b) recovery of advances of wages not already earned shall be subject to any rules made by the Local Government regulating the extent to which such advances may be given and the instalments by which they may be recovered.

13. *Deductions for payments to co-operative societies and insurance schemes.*—*Deductions under clause (j) of sub-section (2) of section 7 shall be subject to such conditions as the Local Government may impose.*

14. *Inspectors.*—(1) An Inspector of Factories appointed under sub-section (1) of section 10 of the Factories Act, 1934, shall be an Inspector for the purposes of this Act in respect of all factories within the local limits assigned to him.

(2) *The Governor-General in Council may appoint Inspectors for the purposes of this Act in respect of all persons employed upon a railway (otherwise than in a factory) to whom this Act applies.*

(3) The Local Government may, by notification in the local official *Gazette*, appoint such *other* persons as it thinks fit to be Inspectors for the purposes of this Act, and may define the local limits within which and the class of *factories and industrial establishments* in respect of which they shall exercise their functions.

(4) An Inspector may, *at all reasonable hours*, enter on any premises, and make such examination of any register or document, and take on the spot or otherwise such evidence of any person, and exercise such other powers of inspection, as he may deem necessary for carrying out the purposes of this Act.

(5) Every Inspector shall be deemed to be a public servant within the meaning of the Indian Penal Code.

15. *Claims arising out of deductions from wages or delay in payment of wages and penalty for malicious or vexatious claims.*—(1) The Local Government may, by notification in the local official *Gazette*, appoint any *Commissioner for Workmen's Compensation or other officer with experience as a Judge of a Civil Court or as a stipendiary Magistrate* to be the authority to hear and decide for any specified area all claims arising out of deductions from the wages, or delay in payment of the wages, of persons employed or paid in that area.

(2) Where contrary to the provisions of this Act any deduction has been made from the wages of an employed person, or any payment of wages has been delayed, such person himself, or any legal practitioner or any official of a registered trade union authorized in writing to act on his behalf, or any Inspector under this Act, or any other person acting with the permission of the authority appointed under sub-section (1), may apply to such authority for a direction under sub-section (3) :

Provided that every such application shall be presented within six months from the date on which the deduction from the wages was made or from the date on which the payment of the wages was due to be made, as the case may be :

Provided further that any application may be admitted after the said period of six months when the applicant satisfies the authority that he had sufficient cause for not making the application within such period.

(3) When any application under sub-section (2) is entertained, the authority shall hear the applicant and the employer or other person responsible for the payment of wages under section 3, or give them an opportunity of being heard, and, after such further inquiry (if any) as may be necessary, may, without prejudice to any other penalty to which such employer or other person is liable under this Act, direct the refund to the employed person of the amount deducted, or the payment of the delayed wages, together with the payment of such compensation as the authority may think fit, not exceeding ten times the amount deducted in the former case and not exceeding ten rupees in the latter :

Provided that no direction for the payment of compensation shall be made in the case of delayed wages if the authority is satisfied that the delay was due to—

- (a) a *bona fide* error or *bona fide* dispute as to the amount payable to the employed person, or
- (b) the occurrence of an emergency, or the existence of exceptional circumstances, such that the person responsible for the payment of the wages was unable, though exercising reasonable diligence, to make prompt payment, or
- (c) the failure of the employed person to apply for or accept payment.

(4) Any amount directed to be paid under sub-section (3) may be recovered in the manner provided in the Code of Criminal Procedure, 1898, for the recovery of fines.

(5) If the authority hearing any application under this section is satisfied that it was either malicious or vexatious, the authority may direct that a penalty not exceeding fifty rupees be paid to the employer or other person responsible for the payment of wages by the person presenting the application, and any such penalty may be recovered in the manner provided in the Code of Criminal Procedure, 1898, for the recovery of fines.

16. *Single application in respect of claims from unpaid group.*—(1) Employed persons (whether upon a railway or in a factory or other industrial establishment) are said to belong to the same unpaid group if they are borne on the same establishment and if their wages for the same wage-period or periods have remained unpaid after the day fixed by section 5.

(2) A single application may be presented under section 15 on behalf or in respect of any number of employed persons belonging to the same unpaid group, and in such case the maximum compensation that may be awarded under sub-section (3) of section 15 shall be ten rupees per head.

(3) *The authority may deal with any number of separate pending applications, presented under section 15 in respect of persons belonging to the same unpaid group, as a single application presented under sub-section (2) of this section, and the provisions of that sub-section shall apply accordingly.*

17. *Appeal.*—(1) An appeal against a direction made under sub-section (3) of section 15 may be preferred, within thirty days of the date on which the direction was made, in a Presidency-town before the Court of Small Causes and elsewhere before the District Court—

- (a) by the employer or other person responsible for the payment of wages under section 3, if the total sum directed to be paid by way of wages and compensation exceeds three hundred rupees, or
- (b) by an employed person, if the total amount of wages claimed to have been withheld from him or from the unpaid group to which he belonged exceeds fifty rupees, or
- (c) by any person directed to pay a penalty under sub-section (5) of section 15.

(2) Save as provided in sub-section (1), any direction made under sub-section (3) or sub-section (5) of section 15 shall be final.

18. *Powers of authorities appointed under section 15* * * * .—Every authority appointed under sub-section (1) of section 15 * * * shall have all the powers of a Civil Court under the Code of Civil Procedure, 1908, for the purpose of taking evidence and of enforcing the attendance of witnesses and compelling the production of documents, and every such authority shall be deemed to be a Civil Court for all the purposes of section 195 and of Chapter XXXV of the Code of Criminal Procedure, 1898.

19. *Power to recover from employer in certain cases.*—When the authority referred to in section 15 or the Court referred to in section 17 is unable to recover from any person (other than an employer) responsible under section 3 for the payment of wages any amount directed by such authority under section 15 or section 17 to be paid by such person, the authority shall recover the amount from the employer of the employed person concerned.

20. *Penalty for offences under the Act.*—(1) Whoever being responsible for the payment of wages to an employed person contravenes any of the provisions of any of the following sections, namely, section 5 and sections 7 to 13, both inclusive, shall be punishable with fine which may extend to five hundred rupees.

(2) Whoever contravenes the provisions of section 4 or of section 6 * * * shall be punishable with fine which may extend to two hundred rupees.

21. *Procedure in trial of offences.*—(1) No Court shall take cognizance of a complaint against any person for an offence under sub-section (1) of section 20, unless an application in respect of the facts constituting the offence has been presented under section 15 and has been granted wholly or in part and the authority empowered under the latter section or the appellate Court granting such application has sanctioned the making of the complaint.

(2) Before sanctioning the making of a complaint against any person for an offence under sub-section (1) of section 20, the authority empowered under section 15 or the appellate Court as the case may be, shall give such person an opportunity of showing cause against the granting of such sanction, and the sanction shall not be granted if such person satisfies the authority or Court that his default was due to—

(a) a *bona fide* error or *bona fide* dispute as to the amount payable to the employed person, or

(b) the occurrence of an emergency, or the existence of exceptional circumstances, such that the person responsible for the payment of the wages was unable, though exercising reasonable diligence, to make prompt payment, or

(c) the failure of the employed person to apply for or accept payment.

(3) No Court shall take cognizance of a contravention of section 4 or of section 6 or of a contravention of any rule made under section 26 except on a complaint made by or with the sanction of an Inspector under this Act.

(4) In imposing any fine for an offence under sub-section (1) of section 20 the Court shall take into consideration the amount of any compensation already awarded against the accused in any proceedings taken under section 15.

22. *Bar of suits.*—No Court shall entertain any suit for the recovery of wages or of any deduction from wages in so far as the sum so claimed—

(a) forms the subject of an application under section 15 which has been presented by the plaintiff and which is pending before the authority appointed under that section or of an appeal under section 17 ; or

(b) has formed the subject of a direction under section 15 in favour of the plaintiff ; or

(c) has been adjudged, in any proceeding under section 15, not to be owed to the plaintiff ; or

(d) could have been recovered by an application under section 15.

23. *Contracting out.*—Any contract or agreement, whether made before or after the commencement of this Act, whereby an employed person relinquishes any right conferred by this Act shall be null and void in so far as it purports to deprive him of such right.

24. *Powers to be exercised by Governor-General in Council.*—The powers by this Act conferred upon the Local Government shall be exercised by the Governor-General in Council in any case in which the exercise of such powers affects any persons employed by a railway administration.

25. *Display by notice of abstracts of the Act.*—There shall be displayed in every factory a notice containing such abstracts of this Act and of the rules made thereunder in English and in the language of the majority of the persons employed in the factory, as may be prescribed.

26. (1) *The Governor-General in Council may make rules to regulate the procedure to be followed by the authorities and Courts referred to in sections 15 and 17.*

(2) *The Local Government may, subject to the control of the Governor-General in Council, by notification in the local official Gazette, make rules for the purpose of carrying into effect the provisions of this Act.*

(3) *In particular and without prejudice to the generality of the foregoing power, * rules made under sub-section (2) may—*

- (a) *require the maintenance of such records, registers, * returns and notices as are necessary for the enforcement of the Act and prescribe the form thereof ;*
- (b) *require the display in a conspicuous place on premises where employment is carried on of notices specifying rates of wages payable to persons employed on such premises ;*
- (c) *prescribe the manner of giving notice of the days on which wages will be paid ;*
- (d) *prescribe the authority competent to approve under sub-section (1) of section 8 acts and omissions in respect of which fines may be imposed ;*
- (e) *prescribe the procedure for the imposition of fines under section 8 and for the making of the deductions referred to in section 10 ;*
- (f) *prescribe the authority competent to approve the purposes on which the proceeds of fines shall be expended ;*
- (g) *prescribe the * * * extent to which advances may be made and the instalments by which they may be recovered with reference to clause (b) of section 12 ;*
- (h) *regulate the scales of costs which may be allowed in proceedings under this Act ;*
- (i) *prescribe the amount of court-fees payable in respect of any proceedings under this Act ; and*
- (j) *prescribe the abstracts to be contained in the notices required by section 25.*

(4) *In making any rule under this section the Local Government may provide that a contravention of the rule shall be punishable with fine which may extend to two hundred rupees.*

(5) *All rules made under this section shall be subject to the condition of previous publication, and the date to be specified under clause (3) of section 23 of the General Clauses Act, 1897, shall not be less than three months from the date on which the draft of the proposed rules was published.*

APPENDIX 18.

ABOLITION OF ARREST AND IMPRISONMENT FOR DEBT.

Copy of letter No. 6122/3-B. dated the 18th March 1935, from the Secretary to the Government of Bombay, Home Department, to the Association.

Subject :—BILL. CIVIL PROCEDURE CODE : AMENDMENT OF SECTION 51.

I am directed by the Governor in Council to forward herewith a copy of a Resolution of Government in this Department No. 6122/3, dated this day, and of its accompaniments on the subject of the Bill to amend Section 51 of the Code of Civil Procedure, 1908, and to request that you will be so good as to favour Government with the views of the Bombay Millowners' Association on the provisions of the Bill.

It is requested that the reply to this letter should be addressed to the Secretary to Government, Home Department, by designation and not name.

Copy of Government Resolution No. 6122/3, dated Bombay Castle, the 18th March 1935.

Letter from the Government of India in the Legislative Assembly Department, No. F. 103-III/35-A, dated the 5th March 1935 :—

“ With reference to the Debates of the Legislative Assembly of the 18th February 1935, I am directed to forward herewith copies of the papers noted below* and to request that the Governor in Council will favour this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of the Honourable the Judges of the High Court and of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

“ 2. I am also to request that the Bill and Statement may be published in the *Bombay Government Gazette* in English and in such other languages as the Governor in Council may deem proper and that the dates of such publication may be communicated in your reply.

“ 3. The reply to this letter should be sent in duplicate by the 1st June 1935.”

A Bill further to amend the Code of Civil Procedure, 1908, for certain purposes.

Whereas it is expedient further to amend the Code of Civil Procedure, 1908, for the purposes hereinafter appearing ; It is hereby enacted as follows :—

1. *Short title.*—This Act may be cited as the Code of Civil Procedure (Amendment) Act, 193 .

2. *Addition of proviso to section 51, Act V of 1908.*—At the end of section 51 of the Code of Civil Procedure, 1908 (hereinafter referred to as the said Code), there shall be added the proviso—

“ Provided that execution by detention in prison shall not be ordered unless, after giving the judgment-debtor an opportunity of showing cause why he

* (1) Bill as introduced with Statement of Objects and Reasons.

(2) Extract from Legislative Assembly Debates, dated the 18th February 1935, regarding the Bill.

should not be committed to prison, the Court, for reasons recorded in writing, is satisfied—

- (a) that the judgment-debtor, with the object or effect of obstructing or delaying the execution of the decree,—
 - (i) is likely to abscond or leave the local limits of the jurisdiction of the Court, or
 - (ii) has, after the institution of the suit in which the decree was passed, transferred, concealed, or removed any part of his property, or committed any other act of bad faith in relation to his property ; or
- (b) that the judgment-debtor has, or has had since the date of the decree, the means to pay the amount of the decree or some substantial part thereof and refuses or neglects or has refused or neglected to pay the same.

Explanation.—In the calculation of the means of the judgment-debtor for the purposes of clause (b), there shall be left out of account any property which, by or under any law for the time being in force, is exempt from sale in execution of the decree.”

3. *Amendment of rule 37, Order XXI in the First Schedule, Act V of 1908.*—In sub-rule (1) of rule 37 in Order XXI in the First Schedule to the said Code, for the word “may” there shall be substituted the word “shall,” and at the end of the sub-rule there shall be added the proviso—

“ Provided that such notice shall not be necessary if the Court is satisfied, by affidavit or otherwise, that, with the object or effect of delaying the execution of the decree, the judgment-debtor is likely to abscond or leave the local limits of the jurisdiction of the Court.”

4. *Repeal of rule 40, Order XXI in the First Schedule, Act V of 1908, and insertion of new rule in place thereof.*—Rule 40 in Order XXI in the First Schedule to the said Code together with any alterations therein or additions thereto made under section 122 of the said Code shall be repealed and in place thereof there shall be inserted the rule—

“ 40. *Proceedings on appearance of judgment-debtor in obedience to notice or after arrest.*
—(1) When a judgment-debtor appears before the Court in obedience to a notice issued under rule 37, or is brought before the Court after being arrested in execution of a decree for the payment of money, the Court shall proceed to hear the decree-holder and take all such evidence as may be produced by him in support of his application for execution, and shall then give the judgment-debtor an opportunity of showing cause why he should not be committed to the civil prison.

(2) Pending the conclusion of the inquiry under sub-rule (1) the Court may, in its discretion, order the judgment-debtor to be detained in the custody of an officer of the Court or release him on his furnishing security to the satisfaction of the Court for his appearance when required.

(3) Upon the conclusion of the inquiry under sub-rule (1) the Court may, subject to the provisions of section 51 and to the other provisions of this Code, make an order for the detention of the judgment-debtor in the civil prison and shall in that event cause him to be arrested if he is not already under arrest :

Provided that in order to give the judgment-debtor an opportunity of satisfying the decree, the Court may, before making the order of detention, leave the judgment-debtor in the custody of an officer of the Court for a specified period not exceeding ten days or release him on his furnishing security to the satisfaction of the Court for his appearance at the expiration of the specified period if the decree be not sooner satisfied.

(4) A judgment-debtor released under this rule may be re-arrested.

(5) When the Court does not make an order of detention under sub-rule (2), it shall disallow the application and, if the judgment-debtor is under arrest, direct his release."

STATEMENT OF OBJECTS AND REASONS.

This Bill is the outcome of the recommendations of the Royal Commission on Labour in India to the effect that in the case of industrial workers in receipt of wages less than Rs. 100 a month arrest and imprisonment for debt should be abolished except where the debtor has been proved to be both able and unwilling to pay. The Bill seeks to amend the Civil Procedure Code, 1908, so as to protect honest debtors of all classes, and not of the industrial worker class only, from detention in a civil prison and to confine such detention to debtors proved to be recalcitrant or fraudulent. It provides *inter alia* that no order for execution by detention in prison shall be issued unless the debtor has been given opportunity of showing cause why he should not be committed to prison, and the Court is satisfied for reasons recorded in writing that (i) the debtor is likely to leave the local limits of the jurisdiction of the Court, or has after the institution of the suit fraudulently disposed of his property, and (ii) that he is able to pay the amount of the decree otherwise than from protected assets.

2. The Bill applies to all judgment-debtors. After consultation with Local Governments the Government of India decided that in this matter there was no sufficient reason for restricting the protection to small debtors.

NEW DELHI; *The 26th January, 1935.*

H. D. CRAIK.

Extract from the Legislative Assembly Debates, Vol. I, No. 15.

The Assembly met in the Assembly Chamber of the Council House at New Delhi, on Monday, the 18th February 1935.

* * * * *

THE CODE OF CIVIL PROCEDURE (AMENDMENT) BILL.

(AMENDMENT OF SECTION 51.)

THE HONOURABLE SIR HENRY CRAIK (Home Member) : Sir, I move :—

"That the Bill further to amend the Code of Civil Procedure, 1908 (*Amendment of section 51*), for certain purposes, be circulated for the purpose of eliciting opinion thereon."

Sir, the object of this Bill is one which I hope will command sympathy from every quarter of this House. To put it briefly, it is to save the honest debtor who is unable to pay from the indignity of imprisonment. It abolishes imprisonment for debt except in the case of the recalcitrant debtor, that is the debtor who is able but refuses to pay.

This particular Bill is the result of a recommendation of the Royal Commission on Labour. If Honourable Members will look at page 232 of the Report of that Commission, they will see the precise recommendation made. But, as a matter of fact, the underlying idea is one of much earlier growth. So long as 1886 the Government of India introduced a Bill with the same object as the Bill which I am now bringing before the House, but, at the time, neither Local Governments nor public opinion in the country generally were prepared to go quite as far as that : that is to say, public opinion generally was not in favour of the abolition of imprisonment except for recalcitrant prisoners, and though that Bill did become law in a modified form, it did not include any provision to that effect.

The position to-day is very much the same as it was left in by the legislation of 1886. Broadly speaking, the law lays down that the period of imprisonment must be limited, in the case of the smaller debts to six weeks and in the case of debts of over Rs. 50 to six months ;

that only male debtors can be imprisoned ; and that the Court has power but is not compelled to give the debtor, before it orders imprisonment, a chance of showing cause against being imprisoned, and if he gets that chance of showing cause, and if the Court is satisfied that he ought not to be imprisoned, the Court has discretion to disallow the application for his imprisonment. I think it is possibly right to say that the framers of the present provisions of the law hoped that the imprisonment of debtors would very rarely be enforced, because it would not, as an ordinary rule, be in the interests of the creditor to imprison his debtor, and, broadly speaking, it was hoped that the use of the power of imprisonment for debt would not be used in an unfair way or to the harassment of the debtor. If I am right in thinking that that was the hope of the framers of the law, I am afraid I am equally right in saying that their hope has been disappointed. The main reason probably is that the law does not make it compulsory on the Court to give the debtor an opportunity of showing cause why he should not be imprisoned. It is discretionary only with the Court and not compulsory, and in practice warrants for the arrest and detention of the debtor are frequently issued without his having any such opportunity of showing cause. Indeed they are often issued before any attempt is made to realize the debt from the debtor's property, as opposed to his person, or even to ascertain whether he has any property from which the debt could be realized. In fact, an application for the seizure and imprisonment of the debtor's person has become in certain provinces an almost ordinary feature of execution proceedings.

In support of that, I would like to quote a ruling of the High Court in my own province, a ruling which has excited considerable comment and which has shaped the attitude both of the High Court and of subordinate Courts in this very important matter since it was delivered in the year 1925. The ruling in question will be found in Volume VI of the Lahore series of the Indian Law Reports at page 548. The Chief Justice said :—

“ The statutory law leaves no doubt whatsoever that it is for the judgment-creditor to decide whether he should execute the decree for the payment of money by the arrest of the judgment-debtor or by the attachment and sale of his property or by both,”
—and a little later on he observed :—

“ The Legislature has consequently provided for the execution of a decree for money by the arrest of the judgment-debtor, and there is neither justice nor equity in forcing the judgment-creditor to proceed against the property, a remedy which is not only dilatory but often proves infructuous, when he has the right of availing himself of any efficacious mode of recovering his lawful due.”

And I would ask the House to listen to the remarks of the other Judge who was sitting on that Bench, who stated :—

“ In these circumstances, any tenderness towards the judgment-debtor on the part of the executing court is not only mis-placed but is entirely opposed to the law. Except in cases where the judgment-debtor has no property, I would go so far as to say that, far from being discouraged, the decree-holder should be encouraged to proceed both against the property and the person of his debtor simultaneously and the refusal of the executing court to grant both the reliefs at one time should be the exception and not the rule.”

Now, Sir, that observation has given rise to a great deal of criticism which has frequently found expression in the debates of the Punjab Legislative Council. It has also been greatly criticised in the Press and elsewhere ; and I am bound to say that, speaking with all respect to the High Court, it indicates an attitude which I for one find it extremely difficult to defend.

It is sometimes asserted that a creditor has no interest in securing the imprisonment of his debtor, because he has nothing to gain from that, while he has a chance of recovering his debt by the attachment of the property. But that view is not really borne out by experience, and it seems to me that it is much more common to find that the creditor has insisted on the imprisonment of his debtor either in the hope of evading the law which protects certain necessities of life from attachment, that is to say by putting such pressure on the

debtor that, in order to obtain his release from prison, he parts with those necessities of life, or else, it is prompted by a desire to force the relations of the debtor, against whom of course the creditor has no moral or legal claim, to force the relations of the debtor to pay up in order to get their relative out of jail. And in some cases it is used, I think I am correct in saying, in order to gratify personal spite or malice. Some years ago the Madras Government directed an inquiry into this matter and they appointed to conduct that inquiry a very experienced judicial officer, now I think a Judge of the Madras High Court. He found that in most cases, where the debtor was imprisoned, the action of the creditor was inspired by one of these three reasons: that is to say, either to force the debtor to sell the necessities of life which under the law are exempt from attachment in order to meet the debt, or, secondly, to force his relatives to pay up to secure his release, or, thirdly, to gratify some private spite or malice. I myself have had opportunities, during my frequent inspections of jails, to question civil prisoners on this matter. In fact, whenever I found that there were civil prisoners in the jail which I was visiting I made it a rule to try to find out what were the circumstances in which they were imprisoned and I am satisfied—though of course I admit I only heard their side of the case—that in 90 cases out of 100 there was no question of recalcitrance or evasion but the men were genuinely unable to pay their debts. I think it will be agreed that when a man is genuinely unable to pay his debt, it is not equitable nor is it a proper principle that he should be imprisoned. The principle was stated by Sir Courtney Ilbert in the Statement of Objects and Reasons of the Debtors Bill of 1886, to which I referred in my opening words, and it may interest the House if I quote his statement of the principle which should in my opinion regulate these matters. Sir Courtney Ilbert's words were:—

“The Courts ought not to give effect to any pledge by a debtor either of his person or of the bare necessities of life. The debtor ought not to be allowed by his own action, supplemented by the action of the Courts, either to deprive himself of his personal liberty or to reduce himself to starvation. If he cannot obtain credit except on one or other of these securities, it is better that he should not obtain credit at all.”

Sir, I referred just now to the fact that the present Bill is the outcome of a recommendation of the Royal Commission on Labour. Actually, their recommendation was a somewhat narrow one and limited to persons engaged on industrial work. The present Bill goes further than that and its benefits will affect all classes of debtors, whether they are industrial workers or agriculturists or anything else. I should explain that the recommendation of the Royal Commission on Labour was so limited not because they thought that industrial workers were the only class which should be safe from imprisonment if they were genuinely unable to pay, but because the scope of their inquiry was limited to questions connected with or arising out of labour.

Sir, the principle embodied in this Bill has been submitted in a general form for the consideration of Local Governments, of the public and of those who administer the law, and I think I may say that it has commanded a very large measure of approval. That approval is not, of course, universal. There are certain interests which are opposed to any relaxation of the law regarding debtors, but speaking generally I should say that the weight of public opinion is behind this Bill. It has also been discussed widely in the press and it is significant that papers of very varying shades of political opinion are agreed in giving general approval to the principles of the Bill. I might mention the names of the newspapers, *the Hindustan Times*, *the Civil and Military Gazette*, *the Hindu*, *the Star of India*, *the National Call*, *the Leader*, *the Pioneer*, *Capital*, *the Bombay Chronicle* and *the Tribune*. I think the House will agree that that is a collection of newspapers that are usually apt to differ very widely, but, on this subject, they are unanimous in approving the Bill.

It is desirable that this Bill, if it commands general approval from all quarters of the House, as I hope it will, should become law as soon as possible. I feel, however, that it will carry public opinion more definitely behind it if it is circulated in detailed form. So far only the principle underlying it has been circulated, but it should now be published in more detailed form for the careful consideration of the public generally and of those who have to administer the law. As this is a subject of considerable intricacy and importance, I think the House will be in a better position to deal with the Bill when they have the benefit of seeing the opinions of those who will be consulted.

Sir, I beg to move.

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : Motion moved :

“ That the Bill further to amend the Code of Civil Procedure, 1908 (*Amendment of Section 51*), for certain purposes, be circulated for the purpose of eliciting opinion thereon.”

Notice has been given of an amendment to this motion by Mr. K. L. Gauba. The Chair would like to know whether the Honourable Member wishes to move his amendment.

MR. K. L. GAUBA (East Central Punjab : Muhammadan) : Sir, in view of the statement of the Honourable the Home Member that he proposes to proceed with the legislation as speedily as possible, I will not move the amendment, but I will support the Bill as soon as you will allow me to do so.

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : The question is :

“ That the Bill further to amend the Code of Civil Procedure, 1908 (*Amendment of Section 51*), for certain purposes, be circulated for the purpose of eliciting opinion thereon.”

(Cries of “ Ayes ” and “ Noes.”)

The Chair thinks the “ Ayes ” have it ?

PROF. N. G. RANGA (Guntur *cum* Nellore : Non-Muhammadan Rural) : No, Sir.

♦MR. N. M. JOSHI (Nominated Non-Official) : Sir, we did not follow the motion when you were putting it.

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : Does the Honourable Member (Prof. N. G. Ranga) want to speak on the motion ?

PROF. N. G. RANGA : Yes, Sir, I want to speak on the motion.

MR. M. S. ANEY (Berar Representative) : When the question is put, no discussion is permitted and the question has already been put by the Chair.

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : Prof. N. G. Ranga.

PROF. N. G. RANGA : Sir, from what the Honourable the Home Member has said in support of this Bill, I gather that the Government really are in no doubt at all about the possible support that this Bill might get for itself in this country. The Honourable Member himself has stated that he has satisfied himself that most of those people who had been committed to a civil debtors jail have been sent there because of their genuine inability to pay. He also stated—and I am glad he has so stated that the general principle of this Bill has already been placed before the public and the public on the platform and in the press have expressed their whole-hearted support for this Bill. He has also made it perfectly clear that the various High Courts have been complaining that the original intention of the framers of the original clause making it possible for the Courts to send the debtors to the civil debtors jail has been frustrated, because, it has become almost a general practice that Courts send even honest debtors, civil debtors, to jails, merely because they have found themselves unable to pay their debts in time. In view of these things, I really cannot understand why the Honourable the Home Member is so very anxious to send this Bill for circulation. Whatever this Government try to do, they seem to be anxious to do it half-heartedly. Even when they want to do a good thing, they do not want to do it quickly or readily or whole-heartedly. This Bill has been very badly needed. This is a protection which has been clamoured for by the masses all over the country, and I must really congratulate the Honourable the Home Member for trying to be more liberal than the Labour Commission itself, having gone to the extent of bringing the agriculturists and the agricultural workers within the ambit of this

Bill. Why should he be so anxious to send this Bill, this short and sensible Bill, this very necessary Bill and a very useful Bill for circulation? Is it because, Sir, that he is anxious somehow or other that he should not be blamed by some partisans of his own Province, the Punjab, that he is trying to advocate the cause of honest debtors, or is it because that newspapers like the *Daily Herald* of Lahore, go on accusing him of trying to be partial to the debtors, or is it because that he is anxious to throw the whole blame on Local Governments, on the High Court Judges and on the Advocate Generals in the provinces that they themselves are in favour of it, and, therefore, he is not to blame if he is in favour of it and if it is placed on the Statute book? I submit that the Honourable the Home Member does not do justice to himself or to this House by following this circuitous policy. I am sure, the agricultural workers will be grateful to him as well as to the Government, though for all other reasons we are out to defeat this Government if not to destroy it. I am sure, the agricultural workers will show their gratitude if only the Government will take courage in both hands and ask the leave of the House to commit this Bill to a Select Committee. But the Home Member is not going to do that and that is why, I rise here to oppose this Bill *in toto*, with the hope that the Honourable the Home Member will see it fit to come forward again with his proposal that the Bill should be referred to a Select Committee.

In America, in Germany, and even in England, a moratorium was found necessary and a moratorium was declared in order that debtors might be helped and might be saved from ruinous actions of the creditors. In this country, we find the Government has not done anything at all. In this country several persons have been asking for timely action, yet the Government of India would not take action and the Honourable the Law Member was saying the other day, in answer to my question, that they had never given an assurance at all to agriculturists and that it was entirely a question for the Provincial Governments to be tackled with and so on. Yet, from the information he has supplied to me in answer to a question, it is clear that two or three Provincial Governments have tried to do their best to save these debtors from utter ruin, but that other Provincial Governments are groping in the dark and that they are really unwilling to do anything to save these agriculturists from their indebtedness. The Honourable the Home Member himself has admitted that he has seen large numbers of people, I mean, civil debtors in jails who were genuinely unable to pay. I can personally testify to the accuracy of the fact that not hundreds, but thousands of people have been committed to civil jail, not because these debtors are dishonest, not because they are unwilling to pay their debts, not because they want to defraud their creditors, but simply because they are not able to pay their debts.

I have already quoted the example of President Roosevelt of America and I will quote his example again for the edification of the Home Member, and I will say that President Roosevelt has been able to achieve wonders in the last three years and he has worked out a wonderful programme of work in that country known as Nira, and by his system of reconstruction he has been able to help his peasants and agricultural workers, the industrialists as well as industrial workers, from ruin and yet our Government is saying, "we cannot do anything." But even when the Government of India think of doing a slight thing, as in the present Bill—I think there must be a sort of curse on this Government—even when they intend to do a good thing, they cannot do it whole-heartedly, merely because there is somewhere something wrong with this Government . . .

SIR COWASJI JEHANGIR (Bombay City : Non-Muhammadan Urban) : Then why does not the Honourable Member move an amendment himself?

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : Does the Honourable Member wish to speak much longer?

PROF. N. G. RANGA : Yes, Sir, for five minutes more.

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : Then, the House stands adjourned till Half Past Two.

PROF. N. G. RANGA : Sir, the Honourable the Home Member has made it perfectly clear that for one or the other of the three reasons which he has given, most of these creditors

move the Courts to send many of these debtors to the civil debtors' jail. One of the reasons is personal spite. In ordinary circumstances it may be that quite an appreciable number of people are committed to the civil debtors' jail for this reason ; but during the last three or four years, it is not for this reason mainly, but for the other reason that because the creditors have been anxious to collect in a frantic manner as much of their money advanced to the rural indebted peasants and others that they have resorted to these proceedings. And in their anxiety to realize their dues and to force the debtors to pay back their sums, they have not scrupled even to persuade the Courts to send hundreds and thousands of debtors to jail. When rural peasants and rural workers and even industrial workers borrow money from the creditors, it is not, I submit, with the intention of not paying these debts back and of not being honest or anything like that. They borrow money with the intention of paying it back with interest and, I submit, very often at a high rate of interest, ranging up to 30 per cent. in many cases. Yet, because of the economic depression, large numbers of them, thousands and lakhs, have become absolutely unable to pay back their dues. Their lands have become unproductive, and also unsaleable, the price of their produce has gone down very seriously, and in many cases they find themselves face to face with starvation and famine ; and these people have been committed to jail. When they are sent to jail what is the satisfaction, and what are the feelings of these people ? When we, civil resisters go to jail, we feel the satisfaction that we are serving the country and we also have a feeling that our compatriots in the country are admiring us for our sacrifices, and, therefore, we feel happy when we are in jail. But these poor rural workers and industrial workers when they go to jail have no such consolation. They feel that their creditors have dealt with them very badly, that they are their enemies, that they and their families are being looked down upon by the creditors as well as their neighbours. Suffering as they do, they would be up to any step in order to bring themselves out of these jails. Many of them have been obliged to present insolvency petitions in order to get out of these jails and many more of them have been obliged to persuade their families and relations to barter away their assets in order that they might come out of these jails. In these circumstances, I put this question to the House : Is it fair that we should allow these thousands of people who have been put into jail unjustly and unfairly by those who have really no legitimate case at all to put them into jail, to remain in the jails ? I am sure that if this Bill were to be passed into an Act, very shortly, in a month, in a few days or a few weeks, all these people will be able to come out of these jails and will be able to pay back their dues also. As the Honourable the Home Member himself admitted, most of them are really anxious to pay back their debts and yet they are unable to pay them back. Most of them have begged their money-lenders to give them some time so that they can pay back these debts but they would not give any time. They wanted time till the prices of their produce and their land rose but they were not given this time. Therefore, Sir, we should not refer this Bill to circulation and thus give these unreasonable, unjust and heartless creditors, a chance of keeping these people in jail for another five or six months. I should have very much liked to move an amendment to the effect that this Bill be referred to a Select Committee and not sent for circulation. But, unfortunately, I came to know only yesterday evening that the Honourable the Home Member was going to move that the Bill be circulated, and naturally I have not had sufficient time to give notice of my amendment. I, therefore, suggest to the House that if it is so minded, it can request you to give leave and make it possible for the Home Member to withdraw this Bill and to bring it back very soon with the suggestion that it should be sent to a Select Committee, or at least, even now to change his motion in such a manner that instead of sending it for circulation it may be sent to a Select Committee. And I appeal to you also, Sir, that in view of the urgency of this matter and in view of the sufferings of all these people who are put in jail, unjustly and unfairly, you should try to see whether you should not waive the usual standing order and give a chance to this House to send this Bill to a Select Committee and get it passed into an Act as soon as possible. If neither of these two courses is possible, I would humbly suggest to this House and also to the Honourable the Home Member that he should try to expedite this unwanted circulation as much as possible and get it back in as few weeks as possible so that at least when the House meets next time it may have an opportunity of passing this into an Act. With these remarks, I submit for the consideration of this House that this Bill is a good one but it does not go far enough and the procedure proposed to be adopted by the Home Member is really not advisable and is not in the best interests of the masses of this country. This Bill should be adopted by the people while the procedure proposed by the Home Member should not be adopted.

CAPTAIN RAO BAHADUR CHAUDHRI LAL CHAND (Nominated Non-Official) : Sir, I congratulate the Honourable the Home Member on having brought out this Bill, after it had been proposed several years ago by the Royal Commission on Labour. We all know that he is a great friend of the poor generally and of the agriculturists in particular, and enjoys the confidence and respect of all classes. I am glad that it should have fallen to his lot to help the agriculturists and the poor debtor here within such a short period of his having assumed charge of his responsible office. But while congratulating the Honourable the Home Member, I cannot help paying a tribute to the attitude that has been taken by the Opposition in this House.....

MR. N. M. JOSHI : What else did you expect ?

CAPTAIN RAO BAHADUR CHAUDHRI LAL CHAND : I expected the old story. The Honourable Prof. Ranga in his speech has made it clear that they all stand for the poor and for the agriculturist and that their professions are no empty words. They have made a very good gesture. I may point out to him and to his Party that there was a suspicion in some quarters, when we saw so many capitalists and people belonging to the money-lending classes in that Group, that we may not get that amount of whole-hearted support from the Congress Group ; but I am glad they have really given proof of the fact that they mean business this time.....

AN HONOURABLE MEMBER : Business always.

MUNSHI ISWAR SARAN (Benares and Gorakhpur Divisions ; Non-Muhammadan Rural) : Will you join us now ?

MR. M. S. ANEY : The Honourable Member is dreaming, not speaking.

CAPTAIN RAO BAHADUR CHAUDHRI LAL CHAND : I want you to wake up. Sir, perhaps no Bill will command such unanimity from all sides of the House and such a large measure of co-operation as this one will and my only complaint against the Government is that they have come after a great deal of mischief has been done during the last five years of depression. Any number of people who are really unable to pay their debts and are honest debtors are rotting in jails at the present moment ; and, as has been pointed out by Prof. Ranga, efforts should be made to expedite this Bill, and, if possible, formality should not stand in the way of its being expedited.

Why are debtors sent to jail ? They are generally sent to jail in order to bring pressure upon their relatives and friends. I have a fairly long experience of my practice at the bar, and I can quote any number of instances of people who have been sent to jail, not because they were unwilling to pay their debts, but simply because they were unable to pay their debts. They had no property, and, therefore, this was an effort on the part of the decree-holders to get money out of their relatives and friends, which is a most coercive measure and the sooner it is stopped the better.

AN HONOURABLE MEMBER : Why do they not pay ?

CAPTAIN RAO BAHADUR CHAUDHRI LAL CHAND : Why did you lend ? People should lend with open eyes. It is for the lender and not for the borrower to see that the man is in a sound position, and, if afterwards it appears that the man is not sound, it is he who should suffer and not the borrower. You are trying to get money, as we say, out of his skin ; it is the skin of that man that is being extracted if you send him to jail.....

MR. LALCHAND NAVALRAI (Sind ; Non-Muhammadan Rural) : Have you ever been a creditor ?

CAPTAIN RAO BAHADUR CHAUDHRI LAL CHAND : Thank God, I am not in that position. I will give you an example to show how they work. (Interruption.) Please wait. As I said just now, I could quote many examples, but only one will suffice to convince this Honourable House as to how things are being worked in my unfortunate province.

There was an agriculturist, about 75 years old, and a suit was brought against him for Rs. 3,000. As after his death the money could not be recovered and his sons could not be sent to jail, because there could be no personal liability, therefore the son was also implicated along with him. The real borrower was very old; and a decree for Rs. 3,000 was passed against him and his son. After one or two processes in execution, both the son and the father were brought before the Court, and what does the man say? This old man says: "I possess 150 bighas of land out of which 40 bighas is under mortgage. I possess no other property. I cannot pay even the land revenue. Out of my land, whatever amount you wish to leave for my subsistence, that may be left out, and the whole of the rest may be given over to the decree-holder." Now, what does the decree-holder say? He says: "I am not prepared to take his lands for twenty years (*as is the law in my province*). This offer was made by the judgment-debtor even at his house. He has three houses: out of those three he was prepared to give me two in addition to the land: but I do not wish to take any of these things. I want hard cash." This is the statement that the creditor gave in Court, and the method he suggested was that if the judgment-debtor wanted really to satisfy his decree, he should sell all his property including land and then pay hard cash. This old man of 70 was prepared to part with his land and with two out of his three houses, when he possessed nothing else; but the learned Judge wrote: "Even if he cannot sell the land for want of buyers, which I have some hesitation to believe, he cannot be said to be a poor man, and, therefore, he must be sent to jail." Sir, both the son and father were sent to jail.....

SIR COWASJI JEHANGIR: What happened to the houses?

CAPTAIN RAO BAHADUR CHAUDHRI LAL CHAND: They were not attached: the decree-holder would not accept them: he would not accept anything except hard cash. The man was sent to jail for six months, and, six or seven days after his release, he died—probably he was brought out of jail, because he had fallen ill there. This is one case and there are any number of cases like that. This man could apply to be declared an insolvent and he would have been saved. He would not have been sent to jail. His land and his houses would have been saved. Even his cattle would have been saved as under section 60, all the exemptions would have been allowed; but he was an honest man and was prepared to pay and to accommodate him to the extent of giving him two out of the three houses. But this man would not accept, and the judge held that he was not a poor man, and, simply because of that, he was sent to jail.

Now, Sir, the Honourable the Home Member has quoted one ruling from the judgment of our High Court. Very few cases of this type go to the High Court, because poor people cannot go there and most of this mischief is being done in the lower Courts. Now, Sir, so long as the recruitment is made from the classes which do money-lending business, it is impossible for this Legislature to enforce its will upon these Courts. This is not all. As has been pointed out by Prof. Ranga, it is a half-hearted measure and discretion has been left to the Courts. My fears are that discretion will always be exercised in favour of the decree-holder. Now, Sir, to give an idea of the manner in which recruitment is made to the Judicial Department, I have in my hand a consolidated statement showing the proportionate representation of various communities serving in the departments of the Punjab Government as it stood on the 1st January 1934. In the Executive Branch we have got,—I am taking the case of Hindus only,—we have got.....

MR. PRESIDENT (The Honourable Sir Abdur Rahim): What bearing has it got on the question under discussion?

CAPTAIN RAO BAHADUR CHAUDHRI LAL CHAND: I am showing that the discretion left to the Courts by sub-clause (b) will always be exercised in favour of the decree-holder, because the people who have been recruited from their ranks will always side with them.

MR. PRESIDENT (The Honourable Sir Abdur Rahim): Order, order. The Chair cannot allow reflection on the Judges.

CAPTAIN RAO BAHADUR CHAUDHRI LAL CHAND: Very well, Sir; then my submission is that no discretion should be left to these Courts, and that Government should come forward with a proposal that civil imprisonment shall not be awarded in lieu of money decrees,

and that that alone will satisfy this House, and not these half-hearted measures which have been brought in this House, six or seven long years after the Royal Commission made their recommendations. If Government want to make a gesture to the poor agriculturist, they should come forward whole-heartedly, and not with this sort of half-hearted measure by which they give discretion to people who belong to the monied classes. Sir, blood is thicker than water, and, therefore, my submission is, that they will always follow the lead given in the ruling that has been so ably quoted by the Honourable the Home Member. I hope the Honourable the Home Member will agree with Prof. Ranga's suggestions, that everything will be done to expedite the passage of this Bill, and that when the Bill reaches the Committee stage, he will agree to the discretionary power of the Courts being taken away, and a mandate being given by this House that in future there will be no civil imprisonment in lieu of a money decree. With these few words, Sir, I support this motion.

MR. FAKIR CHAND (Jullunder Division : Non-Muhammadan) : Sir, I rise to speak against the motions of my friend, Mr. Ranga Iyer, as well as of my friend....

PROF. N. G. RANGA : Sir, I am not Ranga Iyer.

MR. FAKIR CHAND : I am sorry for the mistake. (Laughter.)

I rise to oppose the suggestion of Prof. Ranga that the Bill be not circulated. I have also to oppose the motion of my friend, Rao Bahadur Chaudhri Lal Chand, who, as a matter of fact, applied the principle of *caveat emptor* to borrowers, although my friend has been a lawyer all his life. But so have I been.—I never heard of the principle of *caveat emptor* being applied to borrowers who raise money on their personal credit to-day and refuse to pay it the next day. Well, so far as the Honourable the Home Member is concerned, I am afraid I cannot congratulate him on bringing forward this motion. So far as this Bill is concerned, if he had merely confined it to certain classes of labour as recommended by the Royal Commission, it would have been quite all right, but the Honourable Member makes no distinction between class and class. All classes of debtors, whether they reside in cities or in towns, whether they ride in motor cars every day.....

AN HONOURABLE MEMBER : He is equally an honest debtor.

MR. LALOHAND NAVALRAI : I asked Rao Bahadur Lal Chand, if he had been an honest creditor.

MR. FAKIR CHAND : Sir, I appeal to the Honourable the Home Member to withdraw this Bill for two reasons. First of all, in the Civil Procedure Code, we have a provision to the effect that it is the inherent right of a creditor to realise money by civil imprisonment. That is an inherent right. That is a right which the Legislature has given, and now you are taking away that right. We had the Civil Procedure Code of 1882, we had also the Civil Procedure Code of 1908, which gave that right, and now by one stroke of the pen, that right is proposed to be taken away. Sir, I submit, to make it applicable to all classes is against all canons of justice. So far as honest debtors are concerned, there is a provision in the Civil Procedure Code, Order XXI, Rule 40, which says this :—

“ Where a judgment-debtor appears before the Court in obedience to a notice issued under rule 37, or is brought before the Court after being arrested in execution of a decree for the payment of money, and it appears to the Court that the judgment debtor is unable from poverty or other sufficient cause to pay the amount of the decree or, if that amount is payable by instalment thereof, the Court may, upon such terms (if any) as it thinks fit, make an order disallowing the application for his arrest and detention, or directing his release, as the case may be.”

But unfortunately this Bill presumes that every debtor who does not pay is presumed to be an honest debtor, and, therefore, the burden lies upon the creditor to prove that as a matter of fact the debtor has been recalcitrant or dishonest. This is turning the tables upon the creditors who, as a matter of fact, advanced money to debtors under the old law under which it was quite legitimate for a creditor to ask for repayment and enforce realisation by

civil imprisonment. Therefore, the House will realise how unjust this measure is, and if Honourable Members will refer to the *Explanation* of clause 2, that makes the position all the worse. There is an *Explanation* at the end of clause 2 which says :—

“ In the calculation of the means of the judgment-debtor for the purposes of clause (b), there shall be left out of account any property which, by or under any law for the time being in force, is exempt from sale in execution of the decree.”

It comes to this. Suppose a debtor owns 50 acres of land and he owes Rs. 5,000. His yearly income from the land amounts to Rs. 5,000 and he owes only a debt of Rs. 5,000, but for the last three years he has not paid a single farthing. Will it be fair and just for any Court to say ; “ Let us pay no regard whatever to the amount of land he holds and to his income ” ? Sir, this will encourage dishonesty and fraud which, I submit, is not at all justified. My learned friends, Prof. Ranga and Rao Bahadur Lal Chand, were speaking to a House which they thought was not conversant with the position of debtors. In fact, that very ruling which the Honourable the Home Member quoted was delivered by two very senior-most Judges of the High Court of the Punjab, Mr. Justice Shadilal and Justice De Rossignol. They were very experienced Judges, and they remarked that the difficulties of a decree-holder only begin when the creditor takes out execution. First of all, the creditor has to pay the Court-fee stamp for his plaint, he has to engage lawyers, and to pay every official of the Court in order to have his case brought on to the ready list. That is, fortunately, a thing of the past, because the present learned Chief Justice of the Lahore High Court has taken stringent steps to prevent corruption.

CAPTAIN RAO BAHADUR CHAUDHRI LAL CHAND : Then why indulge in a profession which is so little paying and full of difficulties ?

MR. FAKIR CHAND : In order only to realise professional fees from my agricultural friends, who otherwise would not pay anything. So far as that ruling goes, I submit very strongly that it depicts the condition of the creditors and of the debtors, and the ruling says that the difficulties of the creditor only begin when he begins to realise his decree. For that reason, their Lordships held that it was perfectly legitimate for a creditor to try to realise his money by attachment as well as by imprisonment. As a matter of fact, they ruled that the Court should rather lean towards granting the prayer of the creditor in order to realise his money. Now, by means of this Bill, you take away that one remedy absolutely, because if you once issue a notice to the judgment-debtor to show cause why he should not be committed to prison, that notice will be a notice to him to abscond. That happens every day. There are certain classes of debtors whom you can never get hold of, and a notice to show cause is always a notice to abscond. That remedy is gone, and so far as the other remedy of bringing property to sale, that is forbidden by the Punjab Alienation Act and by the Punjab Agriculturists' Relief of Indebtedness Bill which was passed by the Punjab Council with certain amendments and which is awaiting the sanction of the Governor General. If that Bill comes into law, that will mean the wiping off of all the old debts, whether secured or unsecured debts, because whenever a debtor is called upon to pay money, he will make an application to the Court. The Court will appoint a Conciliation Board who may absolutely disallow the payment of any money in their discretion. This Conciliation Board will sit upon the judgments of the judicial officers and they may declare that nothing is payable. So that, so far as the Punjab is concerned, the old debts due from the agriculturists will be entirely wiped off. Now, the Honourable the Home Member wishes to make it more difficult for creditors to realise their money not only from agricultural debtors but from those who are not agricultural debtors. What justification is there for enacting this Bill ? Where is the urgency of this Bill ? When a debtor borrows money, is he not under an obligation to repay ?

(Interruption by Prof. Ranga.)

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : Order, order. The Honourable Member should be allowed to continue his speech without interruption.

MR. FAKIR CHAND : Therefore, if a debtor does not pay after having had several opportunities to pay, he must be presumed to be dishonest. It is a very sacred obligation.

If you borrow money, you must repay it as soon as possible, and if you fail, the creditor has the only remedy to bring a suit and to have the property attached and the debtor imprisoned. After all, is it so very easy to bring a man to civil prison? The creditor has to pay the subsistence money first. Before the debtor is sent to prison, the creditor is under an obligation to pay the subsistence allowance which the Court may deem reasonable, so that, far from realising his own money, he has, in the first instance, to deposit some money to feed the debtor so long as he is in prison. So that, you can realise the nature of the difficulties that the creditors are under, especially in my part of the country. My Honourable friend, Rao Bahadur Chaudhri Lal Chand, gave one single instance. I do not say that there are not genuine instances. But is that the rule, or rather is it not the exception, because I know all these cases happening every day. I know there are people who, owning twenty acres of land, still have applied for insolvency, and there is a provision in the Provincial Insolvency Act which says that a debtor can only be adjudged insolvent if he is unable to pay. Now, he has to prove that he is unable to pay, and there is a ruling of the Punjab High Court to the effect that in considering whether he is able to pay you may take all his means into consideration. If he has got lands, you can certainly take that into consideration, because a man may have lands which he can sell but he won't sell; although he may be exempt from compulsory sale, yet if he has got lands and income to pay back the debt and still does not pay the debt, that ability to pay will be taken into consideration. But, according to the present Bill, *Explanation 2*, his ability to pay will not be taken into consideration simply because he holds lands which are exempt from sale. So that, this provision in the Bill is very drastic, and my learned friends, who are trying to rush this measure through, must realise that it affects a considerable body of persons. So far as we in the Punjab are concerned, we find that the old debts are wiped off, but according to this Bill all the debtors will be practically immune from civil imprisonment. Although it is said that, if the creditor can show that the debtor is a dishonest one, he is liable to imprisonment, yet in practical working the effect will be this, that the Court will presume that the man is honest. The old rule was that if a debtor did not pay, surely he was dishonest. If a man did not fulfil his obligation, he must surely be presumed to be dishonest, but he may show that he was unable from poverty or otherwise to pay back the money and then the Court disallows his arrest or imprisonment. That rule is already there, and why make this new rule? I submit, with great respect to the Honourable the Home Member, that this Bill should be withdrawn, or at any rate, it must be circulated for opinion at least.

LIEUT.-COLONEL SIR HENRY GIDNEY (Nominated Non-Official): Sir, while supporting this Bill, I would like to deal with it more as a layman than as a lawyer—the profession of the last speaker. My complaint against this Bill is that it does not go far enough. Not a single Member on the Government Front Benches will deny that one of the greatest curses of Government servants to-day—I am talking mainly of both lower and upper subordinates and some of the officers staff—is that they are steeped in debt. The ease with which money can be obtained from a certain class of money-lenders and the ease with which those money-lenders can, in the Law Courts, get back their money is a positive scandal. I have no desire to commercialise dishonesty in what I am about to say and in saying so to cause a laugh from my friend the Deputy Leader of the Opposition. The point I want to emphasise is this. The Royal Commission on Labour which visited this country was very emphatic on this matter—I had the pleasure of serving on that Commission and I had the pleasure of discussing this very point of indebtedness and its cure with the Chairman of that Commission, the late Honourable Mr. Whitley. He informed me that he had left with the Government of India two clauses of a Bill that he suggested should be brought before this House. The gist of those clauses was that no pay of any Government servant should be attached by the Courts. When he first said this to me, I was amazed; and considered that it amounted to commercialising dishonesty, but he disabused my mind of that view by telling me, “If you wish to get rid of the root cause of this debt trouble, don't allow any money-lender the ease and facility with which he can to-day get his money back by going to a law Court; i.e., don't attach salaries.” Therefore, I submit, this Bill should have gone further. I am not talking of the case of landholders, because they come under a different category. . . .

THE HONOURABLE SIR FRANK NOYCE (Member for Industries and Labour): May I ask on what Bill the Honourable Member is speaking? This Bill does not deal with attachment of salaries.

LIEUT.-COLONEL SIR HENRY GIDNEY : The agricultural part of the Bill I am not going to discuss at all, because I leave that to experts. I am simply talking about that part of the Bill which deals with the attachment of a man's property or salary....

THE HONOURABLE SIR FRANK NOYCE : That is not the Bill we are discussing. This Bill deals with imprisonment for debt.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Akhil Chandra Datta.)]

LIEUT.-COLONEL SIR HENRY GIDNEY : You should not allow or encourage by legislation the money-lender a chance of getting his client into prison.

MR. N. M. JOSHI : I rise to support the objects underlying the Bill moved by the Honourable the Home Member. Like my Honourable friend, Prof. Ranga, I would have liked the Honourable the Home Member to make a motion for the Select Committee. The proposals of the Royal Commission on this subject were circulated to the Provincial Governments and to the organizations interested in the objects of the Bill. The Government of India are in possession of the opinions of the interests concerned.

SIR COWASJI JEHANGIR : Is that a fact—that the Bill has been circulated ?

MR. N. M. JOSHI : I do not say that the Bill was circulated. I think the proposals of the Royal Commission on this subject were circulated to Provincial Governments as well as to the bodies concerned with these proposals.

MR. B. DAS (Orissa Division : Non-Muhammadan) : But not with this wide application.

MR. N. M. JOSHI : I feel that it would have been much better if the motion had been made for referring the Bill to a Select Committee.

MR. M. S. ANEY : May I ask the Honourable Member whether it is not a fact that the proposals were confined to industrial debtors ?

MR. N. M. JOSHI : The Royal Commission was appointed to investigate the conditions of the industrial workers and their proposals were naturally confined to industrial workers, but if the Royal Commission had been investigating the condition of all workers, they would have certainly made a recommendation as regards all workers. When the Royal Commission made their investigation, they found that one of the greatest obstacles in the way of an industrial worker was his indebtedness. Not less than two-thirds of the workers were indebted. They found that the average indebtedness amounted to at least three months wages. They found that the rate of interest carried generally from 25 to 150 per cent., and in many cases to 300 per cent., and they came to the conclusion, Mr Deputy President, that this indebtedness was due to the borrowing capacity of the working classes which is generally known by the respectable and dignified word "credit," and they, therefore, suggested that if the evil of indebtedness is to be uprooted, the right remedy was to reduce the borrowing capacity of the working classes. At present the borrowing capacity of the working classes is supported by the facilities offered by the law for the recovery of the debt. The law permits the attachment of wages and salaries and property. It permits imprisonment and gives other facilities for the recovery of debt. Therefore, in order that the borrowing capacity of the working classes should be reduced, they made certain proposals. One of the proposals was that imprisonment for debt should be abolished. I feel that the business of usury, although under a capitalistic system is regarded as a respectable business, is a bad business. I think, Sir, it was Aristotle who said that it is unnatural that money should beget money. He was quite right and we should not encourage this business which at any rate is not a good business. Under the capitalist system, as I said, the Government have offered facilities for the easy recovery of money. One of the facilities was imprisonment. It is wrong that any man should mortgage his personal freedom for the sake of borrowing money. We condemn slavery, and I feel that if a man places his personal freedom under a mortgage for the sake of

getting money, it is a form of slavery and we should not tolerate such a practice under any circumstances. I am, therefore, totally against the Legislature sanctioning the penalty of imprisonment for the debtors under any circumstances.

THE HONOURABLE SIR HENRY CRAIK : Even dishonest debtors ?

MR. N. M. JOSHI : I am coming to the dishonest debtors. In principle I am against the Legislature sanctioning the punishment of imprisonment. If there are dishonest debtors, the law should provide for remedies, either for attaching their property or whatever other possession they may have, but certainly to deprive a man of his personal freedom for the sake of money is wrong in my judgment. It is on that ground of morality that I support the proposal. I make the proposal that the punishment of imprisonment should be done away with altogether for the offence of failure to pay one's debts. I realise that the Royal Commission did not go as far as I am going. The Royal Commission's terms of reference were restricted and moreover they made recommendations which they thought were practicable under the circumstances. I do not think the Royal Commission discussed the principles underlying this measure. As far as the Bill is concerned, I think the Bill, although the Government of India need not have accepted my principle, could have gone a little further. The Government of India ought to have restricted the imprisonment for failure to pay one's debt only to those cases where a man is trying to run away, abscond or is trying to commit some fraud in order to escape the payment of his debts. It is wrong to put a man in jail, because he fails to pay his debts and the Court holds that he has some means—land or houses to pay his debts. If a man has property and if according to law that property could be attached, I shall certainly not stand in the way of the property being attached, but when there is a remedy open to a man to recover his debts by attaching the property, why should the Legislature give power to that man to put a man in jail ? The Government by proposing clause 2 (b) is putting two remedies in the hands of the creditor. It certainly enables the creditor to choose either the imprisonment or the attachment of property. I would like the Government of India to take away that clause, so that the judgment-debtor, if he has property, will pay his debt out of the property and not by the deprivation of his personal freedom. The Royal Commission on Indian Labour, besides recommending the proposals which are contained in this Bill, had made several other proposals in order to relieve the working classes of their indebtedness. I would like the Government of India to tell me what they propose to do with those other proposals. I was very glad to see that they introduced a Bill this morning regarding the attachment of wages and salaries. The Royal Commission had recommended that the Government of India should take steps to provide some kind of summary procedure for the settlement of the debts of the working classes. They also recommended that the law of limitation, so far as the working classes were concerned, should be changed and that the debts should be barred after two years. Then they made certain proposals as regards the relief of the indebtedness of the working classes. Now, I would like the Government of India to tell me what they propose to do as regards those proposals. Sir, I support the objects of this Bill, and I hope the Government of India will try to expedite the passing of this measure.

MR. LALCHAND NAVALRAI : Sir, the motion before us now is that this Bill should be sent out for circulation in order to elicit opinions on it. I think at this stage we should restrict ourselves to that alone. I am in full agreement with the Honourable the Home Member that this Bill should be sent for circulation. Sir, it appears to me that this Bill is not such a simple thing (as some of the people think, or as those that are prejudiced against the creditors may think) as that it should be passed in a hurry. This Bill should not be hustled through at all, because there will always be difference between people's views on this point. (Interruption by Captain Rao Bahadur Chaudhri Lal Chand). I am not giving way. Well, there will always be difference of opinion between a Nominated Member and an elected one, though our names are similar. (Laughter.) What I mean to say is this. The Honourable Member should have patience to hear whether I am going to agree with him on some of the points or not. Anyway, my point at present is that this involves the question not only of debtors, but of creditors as well. The question has two sides. There is the question of the creditor who has actually paid, honestly paid money which honestly belonged to him. He has given it and he has only given it with a view that he should not lose it and he has an inherent right that he must be paid back. Now, it cannot possibly be said that the debtors

are always honest and that they do not pay, because they have no money. In my own experience as an advocate, I have seen cases where people do not pay, but as soon as they are sent to jail, they pay it up. (Laughter.) Now, wherefrom do they pay? Therefore, what I would say is that I do not hold a brief for any creditor, nor do I hold a brief for a debtor. I am not against the debtor's interests. I should not be understood as saying that the debtor should not get the remedies which really belong to him. But I do at the same time say that you should be fair to both of them. Consider the question remembering that the man who has paid the money must get it back, and, on the other side, if there is an usurer, a man who is going to act like a Shylock, then no doubt in that case you must give the debtor his remedy.

PROF. N. G. RANGA : Most of the creditors are acting as Shylocks.

MR. LALCHAND NAVALRAI : Well, that is from the Honourable Member's point of view, and I say that his presentation of the case was entirely one-sided. If he had put both sides of the case fairly, I would have respected his view. At present, do realize what is the situation which we are at now. We are only asking that on this Bill public opinion should be gathered. Now, there are persons here who in their enthusiasm for the debtors are going forward to say that imprisonment should in all cases be stopped, and on the other hand there are persons who have in their mind the interests of the creditor as well. That being the position, on that ground of fairness, why should not this Bill be sent for circulation? Opinions will come and those opinions will be considered by this House, and if it is of opinion that this Bill, as it stands, should be passed, then let it be passed, but if certain amendments are sent in on certain phases of this Bill after the receipt of opinions, then those amendments will be considered, so there is no cause for the Bill being hustled through.

Now, Sir, I have respect for Prof. Ranga's enthusiasm on this question, but what I submit is this. His reasons are not appealing, at least to me. The first reason he gave was that because the Royal Commission on Labour has decided something or has given some opinion, therefore no eliciting of public opinion is necessary at this time. Will my friend read that? Even the Statement of Objects and Reasons shows that that was only an exclusive suggestion, that is, an opinion was given with regard to protecting honest debtors, not of all classes, but only those who were in receipt of wages of less than Rs. 100. Now, will it be said, because the opinion of the Labour Commission was that there should be some relief given to a particular class, that we should go the whole hog and grant wholesale relief to all debtors? I ask now if that reason could be taken as a real or substantial objection that this Bill should not go forward for eliciting public opinion?

Then, take the second point. The Honourable the Home Member, who very honestly put his opinion before the House, has been cited as having testimony on the point. The Honourable the Home Member visited certain jails, as he said, and there he saw and examined some debtors in jail, and he began asking them some questions and at that time he formed the opinion that those persons were not able to pay. (Interruption.) I do not want to give way. But the Honourable Member did not hear the other side on that point and did not even find out from those cases as to how they were sent to jail and what were the reasons of the Judges. Therefore, what I say is that while his opinion is honest, it may be open to correction at any time. Now, when he sees the opinions now sought to be elicited, he might change his original opinion and he might say: "well the whole case had not been put before me."

Then, the third reason that has been given is by the quotation of certain Press opinions. I was very glad that the Honourable the Home Member, in other words, the Government, are now paying some respect to the opinions of the Press and what the Press have said is being quoted now in support of their case. But may I ask him, where were the Government when the Press said that on the Indo-British Agreement the commercial and industrial people had not been consulted and that they should be consulted? Did they come forward then and say: "Well, that is right, the Press is the public opinion"? I do not see the Honourable the Commerce Member in his seat now, but I would like to put it to him that if such is the opinion of the Government of India so that they have really changed their view in the light of the Press comments, the Honourable the Commerce Member should

take a leaf out of the book of the Honourable the Home Member, and he should in all such questions consult the Press opinion. However, what I mean to say is that that is no reason, because the Press may still give you more opinions and give you both sides of the case, and I say you should, therefore, circulate this measure.

Then, as regards the Bill itself, it has a very salutary provision, there is no doubt, that notice should be given; and even at present in my experience, I have seen very rare cases where they do not give such notice. However, sometimes debtors might come forward and say that the Courts have not actually been giving notice, although that might be in rare cases, and here we can find that out from the opinions to be elicited. Therefore, as regards notice also the point requires to be cleared up.

Then, coming to the merits of the Bill itself, I would not go into them at this stage. There will be time for that when these questions are elicited. Both sides have to be put and each objection can be brought in by way of amendment. But I wish to say at present that I feel in my own mind that the provisions as they stand at present do not give to the Court all materials, one way or the other, for determination. There may be reasons other than those that are mentioned in clauses 2 (a) (1) (2) and (b) for consideration. In other words, what I mean to say is that the giving of no discretion to the Court and restricting the Court to particular points may be on many occasions even detrimental to the debtor himself. Therefore, the giving of more discretion to the Court will be a better-considered provision of the Bill than to put it in a restricted form. However, I do not wish to say much on this point just now, but, in my opinion, it will be only fair to see that this Bill goes for public opinion. In the end, I must say that I am not one of those who wish that this Bill should not be passed in one way or the other. I certainly endorse the view of my learned friend, Prof. Ranga, that public opinion should be elicited quickly, and I do not think that even the Honourable the Home Member who has actually brought this Bill would suffer in dealing with this Bill. Sir, with these reasons, I do agree that this Bill be circulated to elicit public opinion on it.

MR. K. L. GAUBA: Mr. Deputy President, I have a great deal of sympathy for Mr. Fakir Chand and Diwan Lalchand Navalrai, and I perfectly agree that a creditor, who has advanced money to a borrower, is entitled to his money back. He is entitled also to a fair return of his money, but that is not to assume that he is also entitled to a pound of flesh, his debtor's liberty or his debtor's reputation. We know that under the Code of Civil Procedure, various discretions are vested in the Court, which can issue notices and in certain cases to act otherwise. We also know what the practice of the Courts has been—the discretions which were vested in the Court have been exercised and almost invariably exercised in the interests of the creditor as against the debtor.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

The judgment of the Lahore High Court practically makes it binding on the Punjab subordinate Courts almost invariably not to exercise the discretion which has been vested under law in them.

This Bill, Sir, does not abolish imprisonment. On the other hand, this Bill maintains imprisonment for debt. All that it says is that in certain cases where notices can issue they should issue. That is all. The discretion which is vested in the Courts under Order 21, rule 37, should ordinarily be exercised by the Courts, unless there are special or explicit reasons to the contrary. That, Sir, is very mild legislation. After all, a debtor might have a tremendous amount of property behind him: his property might be locked up: he may have houses: he may have land but he may not have liquid cash resources. Therefore, if the creditor wants his money, he can have his money by the sale of the property. The creditor wants his money: he does not want the life and blood and the liberty of his debtor.

I might say here that the Honourable the Home Member referred to this legislation as having started in 1886. Sir, this legislation or this course of legislation was really started

when Portia decided that a creditor was not entitled to a pound of flesh but was entitled to his money back with interest. I hope that the 50 years that have elapsed since 1886 will not be taken again before the next stage of this Bill is brought about. The next stage, at the same rate of calculation, would take us to the year of grace 1985.

Sir, I would like to refer only to one or two other matters. My friends who insist on circulation really want it for the purpose of postponing the measure and not for eliciting public opinion. Public opinion has already been expressed on this question and the Press has written *ad infinitum*. In the Punjab, for instance, this question has been debated over a course of a whole year. Columns and columns of the Legislative Council debates have been printed and eventually the Punjab Legislative Council agreed to drop certain clauses, which were parallel to this, on the assurance given by Mr. Boyd on the 26th October of last year that the Government of India were introducing a measure on the same lines, which would apply to the whole of India.

THE HONOURABLE SIR HENRY CRAIK: The Honourable Member is incorrect in his facts.

MR. K. L. GAUBA: I have got a copy of the Punjab Legislative Council debates of the 26th October 1934.

THE HONOURABLE SIR HENRY CRAIK: That Bill has now been passed and that section has been re-inserted and is now part of the Act.

MR. K. L. GAUBA: I am referring to those clauses which relate to debtors of all classes and not merely to agricultural classes. Mr. Boyd's assurance is given on page 668. He said:—

“ I must make one other explanation and it is this. The Government themselves embodied in the original Bill a clause mitigating the severity of the present law with regard to imprisonment for debt. That clause has been amended in the Select Committee. Logically Government might be expected to go forward and to support the new clause which goes to abolish imprisonment for debt. But we have been informed by the Government of India that it is their intention to introduce legislation as early as possible with the object of amending and mitigating the law upon this very subject, and they desire that we should not proceed with our own provincial legislation upon the subject.”

THE HONOURABLE SIR HENRY CRAIK: I do not want to interrupt the Honourable Member, but I think he is wrong in his facts. The clause was withdrawn on Mr. Boyd's assurance but it was re-inserted in the Punjab Bill afterwards by the Select Committee. It actually formed part of the Bill as passed and it now applies to all judgment-debtors. It is actually the law in the Punjab now.

MR. K. L. GAUBA: I will accept the statement of the Honourable the Home Member on the subject. I have not got a copy of the Act and, therefore, I cannot contest his statement. Sir, I have only to add one more newspaper to the list of the papers mentioned by the Honourable the Home Member, and that paper is the *Herald* of Lahore. That paper represents the views very largely of the Party to which my friend, Mr. Fakir Chand, belongs. It is not necessary to read an extract from that paper. The date of that paper is the 16th February 1935. The paper has whole-heartedly supported this measure which has been proposed by the Home Member.

With these remarks, I support Mr. Ranga's proposition that, in the first place, Government should have the courage to withdraw the proposal for circulation of this Bill and if Government will not do that—because circulation is perfectly unnecessary, everybody knows the opinions of this simple Bill; it is a straightforward Bill with a couple of clauses, which can be considered very carefully by a Select Committee,—if Government is not

prepared to send it immediately to a Select Committee, I hope they will proceed with the legislation, as expeditiously as possible, in order to give effect to it in the Simla Session.

THE HONOURABLE SIR HENRY CRAIK : I am gratified at the reception that this Bill has met with in the House, for it has been received, I think I can fairly claim, with general support. It has also been of interest to me that so many Honourable Members from the Punjab took part in the debate and there is no doubt that the question of imprisonment for debt is a more acute one in the Punjab than in any other Province except perhaps Madras. The Honourable Member who spoke last, was perfectly right in saying that the subject has been debated in the Punjab Council as part of their Bill for the relief of agriculturists debts at considerable length, but actually, as I pointed out, a clause on the lines of the present Act was reinserted in the Bill and that legislation has now been passed. I may have been incorrect in saying that it is the law of the land, as I am not sure whether it has received the Governor's assent ; but, anyhow, that measure has been enacted by the Punjab Council and the Punjab Act includes a clause which embodies the principle embodied in my Bill.

I may have given the House quite unintentionally a wrong impression in saying that the Bill or at any rate the principle of the Bill had been circulated for opinion and that it had received general support. Actually what was referred to Local Governments and the point on which they were asked to collect opinions may be summed up in the following words : " The question on which the Government of India desire to secure advice is whether arrest and imprisonment for debt where no contumacy is proved should be abolished for general or for particular classes of persons." That is a very broad statement of the principle contained in the Bill, but the actual provisions of the Bill have not yet been circulated for public opinion. I think after reading the opinions received, that by far the great majority was in favour of the principle of the Bill, but it would be misleading the House if I said that there was no opposition at all to the proposals. For example, I find that in the Punjab, the Local Government said : " The High Court consider that the issue of a notice to the debtor before arrest should be compulsory and not merely discretionary as at present, but with the exception of two Judges they are not in favour of any more drastic changes. A majority of the Judicial officers, the Bar, the Chambers of Commerce and the business community are opposed to any change at all, while the executive officers are divided in their opinion, but the rural community and the labouring classes would welcome the abolition of the provisions of imprisonment for debt except where contumacy is proved." I think that makes it clear that in the Punjab at any rate, and I have no doubt that in other provinces too, there was a certain amount of opposition.

Now, Sir, my Honourable friend, Prof. Ranga, suggested that there was no necessity to circulate the Bill and it might have been referred to a Select Committee immediately. I regret that if that was his feeling, he did not put down an amendment to that effect, because, if such an amendment had been put down and if it had received general support in the House, I should have considered very carefully whether I should not accept it. But it has not been put down and there are grave difficulties in changing our course now. In fact I hardly think that the rules and procedure of the House would permit such a course at this stage. But in view of the generally expressed feeling that the passage of the Bill should as far as possible be expedited, I shall be very glad to limit the period allowed for circulation so far as I can, and certainly I think there should be no difficulty in requiring the opinions to be submitted in plenty of time to let the House resume consideration of this Bill and refer it to a Select Committee if they so decide at an early stage in the next Simla Session. I hope that assurance will satisfy my Honourable friends and that they will agree to the passing of this motion for circulation.

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : The question is :—

" That the Bill further to amend the Code of Civil Procedure, 1908 (*Amendment of section 51*), for certain purposes, be circulated for the purpose of eliciting opinion thereon."

The motion was adopted.

Copy of letter No. 895/96, dated the 16th April 1935, from the Association to the Secretary to the Government of Bombay, Home Department.

Subject :—BILL TO AMEND SECTION 51 OF THE CIVIL PROCEDURE CODE.

I am directed to acknowledge the receipt of your letter No. 6122/3-B, dated 18th March 1935, with which was enclosed copy of a Bill introduced in the Legislative Assembly for the amendment of section 51 of the Civil Procedure Code, 1908, on which the views of the Millowners' Association were requested. In reply, I am to state that the views of my Committee on this subject were forwarded to the Commissioner of Labour, Bombay, on 19th July 1933, and my Committee have nothing further to add to the representation then made. The draft Bill circulated with your letter, which incorporates the suggestion made in the penultimate para of my letter, dated 19th July 1933, addressed to the Commissioner of Labour, Bombay, has received my Committee's full approval.

APPENDIX 19.

ATTACHMENT OF SALARIES AND WAGES—BILL FURTHER TO AMEND THE CODE OF CIVIL PROCEDURE, 1908.

A Bill further to amend the Code of Civil Procedure, 1908, for certain purposes.

Whereas it is expedient further to amend the Code of Civil Procedure, 1908, for the purposes hereinafter appearing ; It is hereby enacted as follows :—

1. *Short Title.*—This Act may be called the Code of Civil Procedure (Third Amendment) Act, 1935.

2. *Amendment of Section 60, Act V of 1908.*—In the proviso to sub-section (1) of section 60 of the Code of Civil Procedure, 1908,—

(a) for clauses (h) and (i) the following clauses shall be substituted, namely :—

“(h) the wages of labourers and domestic servants, whether payable in money or in kind, and salary, if the amount of the salary does not exceed one hundred rupees monthly ;

(i) the salary of any public officer or of any servant of a railway company or local authority to the extent of the first hundred rupees and one-half the remainder of such salary :

Provided that, where the whole or any part of the portion of such salary liable to attachment has been under attachment whether continuously or intermittently for a total period of twenty-four months in execution of one or more than one decree, such portion shall finally cease to be liable to attachment in execution of such decree or decrees and shall not be liable to attachment in execution of any other decree until the expiry of a further period of twelve months ;”

(b) in clause (k), for the figures “1897” the figures “1925” shall be substituted ;

(c) for clause (l) the following clause shall be substituted, namely :—

“(l) any allowance forming part of the emoluments of any public officer or of any servant of a railway company or local authority which the Governor-General in Council may by notification in the *Gazette of India* declare to be

exempt from attachment, and any subsistence grant or allowance made to any such officer or servant while under suspension ” ; and

(d) the *Explanation* at the end shall be re-numbered as *Explanation 1* and, after the *Explanation* as so re-numbered, the following *Explanation* shall be added, namely :—

“*Explanation 2.*—In clauses (h) and (i), ‘salary’ means the total monthly emoluments, excluding any allowance declared exempt from attachment under the provisions of clause (l), derived by a person from his employment whether on duty or on leave.”

3. *Retrospective Effect.*—The amendments made by section 2 shall have effect in respect of any proceedings arising out of any suit instituted on or after the first day of February, nineteen hundred and thirty-five.

STATEMENT OF OBJECTS AND REASONS.

The Royal Commission on Labour drew attention to the indebtedness prevailing among certain classes of workers, and expressed the view that this was due mainly to the credit enjoyed by them and the facilities afforded to creditors by the law relating to the attachment of salaries. With a view to reducing credit, the Commission recommended that wages and salaries of workmen receiving less than Rs. 300 a month should be entirely exempted from attachment. Enquiries made by the Government of India in consultation with Local Governments afford justification for action on the lines suggested by the Commission and in particular reveal a serious state of indebtedness among certain classes of Government employees. The Government of India therefore propose to amend section 60 of the Civil Procedure Code to provide—

- (1) that salaries, not exceeding Rs. 100 a month, of all workers should be totally exempted from attachment,
- (2) that the pay of servants of Government, Railway Companies and local authorities getting more than Rs. 100 a month should be exempted to the extent the first Rs. 100 and one-half of the remainder, and
- (3) that while the attachable portion of the pay of servants of Government, Railway Companies and local authorities should remain as at present liable to continuous attachment the period of attachment should be restricted as follows, viz., that after a debtor's pay has been attached for a total period of two years (in one or more periods) no further attachment should be possible in favour of the same decree or in favour of any other decree until twelve months have elapsed.

The Bill seeks to give effect to these proposals. It also takes away the privileged position of Co-operative Societies under the proviso to sub-clause (iii) under clause (i) of the proviso to sub-section (1) of section 60 of the Code as in the opinion of the Government of India it is unnecessary to continue that privilege.

2. Under sub-clause (h) of the proviso to sub-section (1) of section 60 of the Code of Civil Procedure, 1908, leave allowances if less than salary are exempt from attachment, but under sub-clause (i) leave allowances, if equal to salary on duty, are liable to attachment. Since the introduction of time-scales of pay in the Services, this has created an anomalous position for if an officer drawing pay on a time-scale proceeds on leave before reaching the maximum of the scale, the whole of his leave allowance, being less than his salary on duty, is exempt from attachment, while if he goes on leave after drawing the maximum pay of the scale for over a year, the whole of his leave allowance, being equal to his salary on duty,

would be liable to attachment. It is accordingly proposed to place leave allowances and salary on duty in exactly the same position as regards attachment. At the same time the Bill gives to the Governor-General in Council power to exempt certain allowances from attachment, the object being to enable him to exempt certain compensatory allowances granted for specific purposes.

3. The Bill also provides that the amending legislation shall apply to all suits instituted on or after February 1, 1935.

NEW DELHI;
The 8th February, 1935.

H. D. CRAIK.

Copy of Letter No. 735/96, dated the 2nd April 1935, from the Association to the Secretary to the Government of India, Legislative Assembly Department, New Delhi.

The attention of my Committee has been drawn to "A Bill further to amend the Code of Civil Procedure, 1908, for certain purposes" published in the *Government of India Gazette* of February 23rd, 1935, under Rule 18 of the Indian Legislative Council Rules. It is explained in the Statement of Objects and Reasons appended to the Bill that it seeks to give effect to certain recommendations of the Whitley Commission. This Commission, as Government are aware, recommended, *inter alia*, that wages and salaries of workmen receiving less than Rs. 300 per mensem should be entirely exempted from attachment. The Government of India thought that the limit suggested by the Commission was too high, but that something should be done to protect at least the more poorly paid industrial workers. Local Governments were consulted towards the end of the year 1932 and it would appear that there was consensus of opinion in favour of fixing the limit at Rs. 100, and accordingly the Bill under consideration proposes to afford immunity from attachment to salaries and wages of labourers and domestic servants not exceeding Rs. 100 a month. Under the existing law, co-operative credit societies are given a favoured position as creditors; whereas, an attachment in favour of an ordinary creditor should leave a Government or Railway servant at least Rs. 40 of his salary, in the case of a co-operative society, the limit is Rs. 20. In other words, co-operative societies have, under the present law, a greater hold on the more poorly paid Government servants, and this power is now being sought to be abrogated.

So far, the proposals made by Government are in accordance with the views expressed by the Association in 1932, but there is one point which my Committee desire to press once again on the attention of Government. Complete immunity from attachment is afforded in respect of wages of workers and domestic servants so far as their salaries or wages as the case may be do not exceed Rs. 100 per mensem, whereas in the case of salary earners, whose earnings do not exceed Rs. 100 a month and who cannot be classified either as "workers" or "domestic labourers," no such immunity is proposed to be given, and the whole or part of their wages or salaries can be attached after they become payable. It is true that the Whitley Commission specifically recommended the exemption for industrial workers, and did not recommend its extension to the general public, but, as pointed out by Government, in connection with another recommendation made by the Commission, "the recommendations of the Commission were, in virtue of their terms of reference, strictly confined to labour, and that it was reasonable to suppose that, had their terms of reference been more comprehensive, the Commission would have widened the scope of their recommendations considerably. This point has already been recognized by Government, and though the Whitley Commission recommended the abolition of arrest and imprisonment where no contumacy was proved for industrial workers alone, Government now appear to have proposed the widening of the scope of the particular recommendation so as to make it applicable to all classes of debtors. In any event, my Committee do not see any reason why the wages of an industrial worker drawing less than Rs. 100 a month should be granted immunity from attachment, while the salary of a clerk in a commercial establishment drawing, for example, Rs. 80 per month should not be afforded the same immunity.

Copy of letter No. D1555/35, dated the 12th April 1935, from the Joint Secretary to the Government of India, Home Department, to the Association.

*Subject:—BILL FURTHER TO AMEND THE CODE OF CIVIL PROCEDURE, 1908,
FOR CERTAIN PURPOSES.*

I am directed to acknowledge the receipt of your letter No. 736-96, dated the 2nd April 1935, on the subject noted above and to explain that the Bill does protect from attachment all salaries of less than Rs. 100 (section (h) in Sub-clause (a) of Clause 2).

Copy of letter No. 1445, dated the 17th May 1935, from the Commissioner of Labour, Secretariat, Bombay, to the Association.

*Subject:—A BILL FURTHER TO AMEND THE CODE OF CIVIL PROCEDURE, 1908,
FOR CERTAIN PURPOSES.*

I am directed by Government to forward herewith for your information a copy of the letter from the Government of India, Home Department, No. F1217/33-Judicial, dated the 7th May 1935 together with a copy of the Bill mentioned above and to request you to be so good as to furnish this office with the views of your Association on the provisions of the Bill in general and on the points raised in paragraphs 2 and 3 of the Government of India letter in particular.

2. I am to request that your reply may kindly be sent so as to reach this office by the 10th June 1935 at the latest.

Copy of Letter No. F1217/33, dated the 7th May 1935, from the Joint Secretary to the Government of India, Home Department, to the Chief Secretary to the Government of Bombay.

*Subject:—A BILL FURTHER TO AMEND THE CODE OF CIVIL PROCEDURE,
1908, FOR CERTAIN PURPOSES.*

With reference to the correspondence ending with your letter to the Department of Industries and Labour, No. 9415-B, dated the 26th April 1933, I am directed to forward for the information of the Governor in Council, a copy of the Bill mentioned above together with an extract from the Proceedings of the Legislative Assembly of the 9th April 1935, relating thereto. The Bill was referred to a Select Committee on that date, but the Hon'ble the Home Member undertook to ascertain the opinions of local Governments, High Courts, bodies representing commercial opinion, Chambers of Commerce, Trade Associations, Bar Associations and also Pensant Associations where they exist, on the provisions of the Bill before the Select Committee meets in the next session of the Indian Legislature.

2. In the course of the debates Mr. Ghansham Singh Gupta criticised the Bill on the ground that it gives a privileged position to Government servants in comparison with other employees. As Sir Henry Craik and Mr. Clow explained in the course of the debate, the Government of India take the view that both under the present law and under the Bill the position of the Government servant is less favourable than that of the private employee. The existing provisions relating to the attachment of the pay of Government servants were introduced into the law as long ago as 1879. The exact reasons for their introduction are somewhat obscure. But the intention apparently was to give some protection to employees and particularly to Government, rather than either to the debtors or the creditors. Government at that time seem to have thought that the system would enable their officers to know of the indebtedness of Government servants and would also be in the interests of Government work by protecting debtors from frequent visits to courts. The effects of this system, which is entirely unknown in England, were clearly not foreseen. The changes in the system made by the present Bill are confined to a small change in the attachable amount and to a restriction on the period for which that amount can be continuously attached. The principle of attachment before the pay actually becomes payable is maintained.

3. The Government of India will be glad to be furnished with the views of the Governor in Council on the provisions of the Bill generally and in particular on the advisability of placing all Government servants, railway employees and servants of local authorities or any particular class of such persons in the same position as private employees by making their pay attachable only after it has become payable and at the same time removing the restriction on the amount attachable. I am also to request that the opinions of the High Court and Judicial Commissioner's Court and of such other bodies and Associations including those mentioned in paragraph 1 above as the local Government may consider fit to consult, may also be obtained and communicated to the Government of India.

4. It is requested that the Bill and the Statement of Objects and Reasons may be published in the local *Gazette* and that a reply to this letter may be sent by the 15th July 1935.

Extract from the Legislative Assembly Debates, Vol. IV, No. 10.

The Assembly met in the Assembly Chamber of the Council House at New Delhi,
on Tuesday, the 9th April 1935.

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THE CODE OF CIVIL PROCEDURE (THIRD AMENDMENT) BILL.

THE HONOURABLE SIR HENRY CRAIK (Home Member): Sir, before I move the motion that stands in my name, I would like to ask the leave of the Chair, and, through the Chair, of the House, to be allowed to substitute the name of Mr. A. G. Clow, for that of the Honourable Sir Frank Noyce in the Select Committee.

MR. GHANSHIAM SINGH GUPTA (Central Provinces Hindi Divisions: Non-Muhammadan): I cannot hear what the Honourable Member says. Will the Honourable Member please speak up?

MR. PRESIDENT (The Honourable Sir Abdur Rahim): There is plenty of room in the front Benches, and there is no good shouting from there.

MR. RAM NARAYAN SINGH (Chota Nagpur Division: Non-Muhammadan): Why not the Honourable the Home Member come nearer?

MR. PRESIDENT (The Honourable Sir Abdur Rahim): Order, order. The Honourable Member has been unnecessarily interrupting.

THE HONOURABLE SIR HENRY CRAIK: Sir, I beg to move:—

“That the Bill further to amend the Code of Civil Procedure, 1908, for certain purposes (*Amendment of section 60*), be referred to a Select Committee, consisting of the Honourable the Law Member, Mr. A. G. Clow, Mr. M. Ananthasayanam Ayyangar, Mr. Shri Krishna Sinha, Mr. Ghanshiam Singh Gupta, Mr. Muhammad Azhar Ali, Mr. K. L. Gauba, Pandit Lakshmi Kanta Maitra, Mr. F. E. James, Mr. J. M. Chatarji and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

Sir, in the course of this Session, it has been apparent that there are comparatively few subjects on which this side of the House is in agreement with that. That is regrettable, but I think most Honourable Members will agree that there is one subject on which all sides of the House are in agreement and that is that it is the duty of the Government and the duty of the Legislature to do what both can in common to improve the conditions of the poor.

As this is a Bill designed to confer relief on poor debtors, I hope it will be welcomed in all quarters of the House. This Bill is one of the measures that has been introduced in order to implement the recommendations of the Royal Commission on Labour, but as the Statement of Objects and Reasons shows it goes in some respects beyond and in some respects not quite so far as the recommendations of the Royal Commission. Its main object is to help persons in receipt of small pay or small salaries by protecting them from the evils of indebtedness and it seeks to do so by amending the law which relates to the attachment of their pay or salary. It may be well if I explain very briefly to Honourable Members the existing law in this respect as stated in section 60 of the Code of Civil Procedure. The law divides persons into three classes in respect of attachment of salaries. In the first class there are labourers and domestic servants irrespective of the amount of wage which they draw and also Government servants, servants of railways and servants of local bodies who draw pay less than Rs. 40 a month. All these persons, that is to say, Government servants drawing less than Rs. 40, labourers and domestic servants, are free from the penalty of having their salary or wages attached, either before they become payable or after they become payable. Then, there is the second class which consists only of Government servants, railway servants and the servants of local authorities who draw more than Rs. 40 a month, and in the case of those persons half the salary or Rs. 40, whichever is greater, is protected from attachment, but the rest can be attached either before or after it becomes payable—that is an important point—and it can be attached by order of the Court indefinitely till the debt is satisfied. In the third class are all other employees who are liable to have the whole of their wages or salaries attached if they become payable, but no part of it can be attached before it becomes payable.

Now, Sir, I think all lawyers in this House will agree that the attachment of salary, after it becomes payable, is a very difficult thing to effect. In fact it is very seldom attempted, and indeed we have the opinion of a Chief Justice of a High Court that the attachment of salary after it becomes payable is practically impossible. On the other hand the attachment of salary before it becomes payable is a very simple matter. That applies to Government servants and servants of railways and other local bodies who are in receipt of a regular fixed monthly salary. The disbursing officer in their case receives the order of the court and carries it out merely by retaining a certain portion of the salary and handing it over to the Court until the debt is satisfied, month by month. And as I have said, this process may and often does go on month after month for many years. In fact, it provides, through the agency of Government, a debt collecting machinery from which there is virtually no escape. The result of that is that although it would seem at the first view that Government servants and the servants of railways and local authorities all of whom are in receipt of fixed monthly salaries, are placed in a preferential position as compared with private employees, the real truth is very much the opposite, and Government servants are, as a matter of fact, in a very much worse position and indeed in a peculiarly unfavourable position, because they are exposed to the operation of this machinery that I have described, which automatically can and does at the request of the Court act as a debt collecting agency for the money-lender.

Now, Sir, the Royal Commission on Labour dealt of course only with industrial workers, but inquiries have satisfied us that there is just as much indebtedness among workers of any other type, for example clerical employees, as there is among industrial workers; and also that there is a very large amount of indebtedness among the poorer employees of Government. Therefore, the Bill which I am now commending to the attention of the House embraces all classes of workers and is not confined only to industrial workers. And in justification of that I would ask the House to agree in the proposition that there is no inequity and there is no real reason for drawing a distinction between an industrial worker in receipt of, say Rs. 50 a month on the one hand and on the other hand a Government employee or a man working in a private office in a clerical capacity and drawing the same rate of pay. They are both equally prone to the temptations of falling into the clutches of the money-lender.

Sir, the Royal Commission recommended that all salaries of less than Rs. 300 a month should be protected from attachment. We have consulted various authorities as to that amount and have come to the conclusion that that is perhaps too high a figure;

but there is a very general consensus of opinion that the figure should be considerably higher than the present figure of Rs. 40 a month, and we have in the Bill fixed it at a limit of Rs. 100 a month. But I need hardly say that that, as other points of detail, will be open to reconsideration in the Select Committee.

But merely to protect salaries of Rs. 100 a month or less from attachment does not, in our opinion, go far enough, because the evil of indebtedness extends to employees who are drawing considerably higher salaries than that, and specially perhaps to Government servants in receipt of higher salaries than that. And, as I have explained, the present law places Government servants at a considerable disadvantage by means of the system of the disbursing officer acting as a debt collecting agency which, so far as I am aware, is a system not known in other countries; certainly it does not exist in England. It is a system which gives Government servants really too large an amount of credit and there can be little doubt, in fact I think it is the generally accepted view of all who have studied this question of indebtedness, that there is nothing that is so conducive to indebtedness as too easy credit. Now, we are not proposing to abolish this system of attachment of salaries altogether but we are proposing to place certain restrictions on it which will I hope commend themselves to this House. In the case of Government servants, including the employees of railways and local bodies, the first hundred rupees of their salary and half of the remainder of their salary will in future, if this Bill becomes law, be completely protected from attachment. The balance will, as at present, be liable to attachment but only for a limited time. It is proposed to limit the period of attachment to 24 months at any one time, and after those 24 months have expired, the attachment cannot be resumed until there has been an interval of 12 months at least, and then only in respect of a fresh decree by the Court.

It only remains for me to deal with one or two subsidiary matters which are included in the Bill. The first point is that we propose to omit any special provision relating to debts due to co-operative societies. Under the existing law co-operative societies are placed in a preferential position. Where a judgment-debtor is a member of such society, the amount of salary totally exempted from attachment is Rs. 20 only and not Rs. 40. That provision was introduced into the present law in 1925 as the result of a suggestion that emanated from the Government of Bombay. But, after full consideration, Government have now come to the conclusion that it is no longer necessary to retain it, and that conclusion is agreed to by all Local Governments including the Government of Bombay at whose suggestion, as I have said, that provision was first inserted in the present law.

There remains only one point and that is the date on which it is proposed that the changes should have effect. Honourable Members will observe that in clause 3 of the Bill it is proposed that the amendments should have effect in respect of any proceedings arising out of any suit instituted on or after the first day of February of the present year. That requires just one word of explanation. It is a matter of some difficulty to decide the date from which a Bill of this character should take effect. Judgment-debtors would no doubt prefer that it should be applied to all pending suits or possibly even to all debts incurred before the introduction of the Bill. But creditors on the other hand would no doubt very strongly object to any such provision as being contrary to equity and as involving a breach of contract. We have chosen the middle course, and have decided to fix a date approximately that of the date of the introduction of the Bill, that is on the 1st February last, and I hope that Honourable Members will consider that that is, in all the circumstances of the case and on the balance of the interests affected, a fair provision: but that again is a point which I am quite willing to consider in the Select Committee. I have nothing more to say, and I beg to move.

MR. PRESIDENT (The Honourable Sir Abdur Rahim): Motion moved:—

“That the Bill further to amend the Code of Civil Procedure, 1908, for certain purposes (*Amendment of section 60*), be referred to a Select Committee, consisting of the Honourable the Law Member, Mr. A. G. Clow, Mr. M. Ananthasayanam Ayyangar, Mr. Shri Krishna Sinha, Mr. Ghansham Singh Gupta, Mr. Muhammad Azhar Ali, Mr. K. L. Gauba, Pandit Lakshmi Kanta Maitra, Mr. F. E. James, Mr. J. M. Chatarji and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

There is an amendment in the name of Mr. Gupta, that the Bill be circulated for the purpose of eliciting opinion thereon : but the Honourable Member has not given any date : by what date ?

MR. GHANSHIAM SINGH GUPTA : Say, the 31st August next.

THE HONOURABLE SIR HENRY CRAIK : Make it the 30th June.

MR. GHANSHIAM SINGH GUPTA : All right : I accept that date. I move, Sir :—

“ That the Bill be circulated for the purpose of eliciting public opinion thereon by the 30th of June 1935.”

The whole House is practically tired, and I will not inflict a long speech at this late stage of the Session. Even the galleries do not seem to take any more interest now. But the Bill is of such importance and of such wide application that I cannot but say a few words on this. There is no doubt that the Bill makes discrimination—it is a discriminating Bill. If we see the provisions of the Bill, we find that it not only makes discrimination between those who get salaries and others, but also between one class of persons who get salaries and other classes of persons who get salaries. In clause 2 (a), it says :—

“(h) the wages of labourers and domestic servants, whether payable in money or in kind, and salary, if the amount of the salary does not exceed one hundred rupees monthly.”

Here it applies to all salaries—any person who gets Rs. 100 a month or less his salary shall not be attached. Except for the purpose of paying income-tax he is a poor man. The Honourable the Finance Member will not consider him poor because he will not exempt him from income-tax and the Honourable the Home Member will consider him poor and would protect him not from the exactions of the State, but from the exactions of the money-lender. If it is fair to protect him from the consequences of his own contracts made voluntarily, he should also be protected from the exactions of the State. This is not all. We find further that it is not only the poor man who gets a salary of Rs. 100 that is protected, but I think another poor man who gets probably a salary of Rs. 6,000 or more also is protected. The only rich man who is not protected by this Bill is the one who lives in villages and who does not receive fixed income monthly, irrespective of the fluctuations of the time. A person who is in receipt of a salary of Rs. 6,000 or Rs. 8,000 a month, like my Honourable friends opposite—I do not know if any of them are indebted to any one

THE HONOURABLE SIR NRIPENDRA SIRCAR (Law Member) : We do not get Rs. 8,000.

MR. GHANSHIAM SINGH GUPTA : Rs. 6,000 : but will he not be poorer if he gets Rs. 8,000, because his expensive habits will increase more than the money he would receive. Those who get Rs. 6,000 will be protected by at least Rs. 3,100

THE HONOURABLE SIR HENRY CRAIK : The Honourable Member has misread the Bill ; they are protected only to the extent of Rs. 100.

AN HONOURABLE MEMBER : And half of the other as well.

MR. GHANSHIAM SINGH GUPTA : I speak subject to correction ; but I think I am correct and if the Honourable the Home Member reads that interpretation in the Bill, I will have no objection. The Bill says that any Government servant who gets Rs. 6,000 will be protected to the extent of Rs. 3,100

AN HONOURABLE MEMBER : Rs. 2,950 will be protected.

MR. GHANSHIAM SINGH GUPTA : It says “ half of the rest ” he is a better lawyer and I submit to his interpretation. I really could not reconcile myself to this position that such poor men as get Rs. 6,000 a month may be protected. But supposing a poor doctor who practises in a *mofussil* town or a newly certified lawyer who practises in a *mofussil*

town gets say about Rs. 100 a month—and I say that the number of those earning Rs. 100 or less a month, in these professions, is much greater than those getting more than Rs. 100—I say where is the principle in not protecting them? If a doctor or lawyer practising in a *mofussil* gets Rs. 100, his property can be attached: again, a petty shopkeeper earning only Rs. 50—his whole shop can be attached. If this Bill is not to be a discriminating Bill, you must think of ways and means by which you can protect all these persons whose income is less than Rs. 100 or just Rs. 100. Then I can understand this. But you say only those who are Government servants or others who get a monthly salary of Rs. 100 can have relief: but those that are not in receipt of monthly salaries and are not in this privileged position of being a Government servant or a monthly salaried man can have no protection. That is one charge that I make against this Bill. It gives preferential treatment to one class of persons over another. I should have absolutely no objection if the scope of the Bill were extended so as to bring within its purview all professions which earn Rs. 100 or less in order that all such people whose incomes are less than Rs. 100 may be protected from attachments

MR. SRI PRAKASA (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Many money-lenders themselves may have less than this income.

MR. GHANSHIAM SINGH GUPTA: My friend, Mr. Sri Prakasa, says money-lenders. A money-lender himself may probably get money from other money-lenders and so on. There is another kind of protection which is specially given to Government servants and which is not extended to other wage earners or salaried men. Although the Statement of Objects and Reasons says that this Bill is based on the recommendation of the Royal Commission on Labour, yet Government really under the cover of the recommendation of this Commission want to protect their servants primarily, because it is obvious that the Royal Commission on Labour does not at all speak of Government servants, in fact they have not even inquired whether Governments need such a measure as this or whether there is such an amount of indebtedness in the class which my friend, the Home Member, wants to protect. My point is, when the Royal Commission on Labour have not even mentioned anything about the necessity of protecting Government servants, why should the Government have gone out of their way to bring forward this measure to protect the Government servants? Why did they not make inquiries as to the amount of indebtedness existing amongst other classes of persons? Sir, the curse of indebtedness is not confined to any one particular class and if I may say so, there is greater indebtedness amongst villagers, landowners, the peasants and landholders than amongst Government servants

THE HONOURABLE SIR HENRY CRAIK: They are protected in many other ways.

MR. GHANSHIAM SINGH GUPTA: If we go into the numerous ways in which that class has been protected and the class to which my Honourable friend belongs is protected, probably there are others more capable than me who would be able to say as to which class is protected more and which class is protected less. We are discussing the present Bill in which there is absolutely no protection to others. My point is, if you went out of your way to bring forward this Bill, you should as well have inquired whether there was indebtedness or not among the classes other than Government servants about which the Labour Commission did not report. You have confined yourself to only one class, and that is yours. As I said, Sir, there is greater indebtedness among the villagers, the *malguzars*, landholders, peasants and other poor people, and this Bill does not afford any protection to them. What is the position now? They say that so far as other persons who receive salaries from institutions other than Government are concerned, they are not protected to the same extent. For instance if a man in a mill receives Rs. 500, he is protected to the extent of Rs. 100. If my friend has a mill and the manager of the mill receives Rs. 500 a month, then he will be protected only to the extent of Rs. 100.

AN HONOURABLE MEMBER: No.

MR. GHANSHIAM SINGH GUPTA: Well, I am sorry, I made a mistake,—he is not protected at all. What I meant to say was that if his salary exceeded Rs. 100 and if he got Rs. 110, then he would get no protection, but if a Government servant or a railway

employee gets Rs. 6,000, he is protected, not merely to the extent of half of his salary, but he gets this advantage also, that after two years, the whole debt is wiped out. Therefore, is this not a Bill which gives undue preference under the cover of the recommendations of the Royal Commission on Labour to one class of persons only? Government, under cover of the recommendations of the Labour Commission, want to legislate for Government servants, and that is my charge.

Then there is only one other point to which I would like to draw the attention of the House. After all, if we look into the reasons of indebtedness, it cannot be said that an income of Rs. 100 a month is too small for an Indian if we look to the average income of Indians. Sir, an income of Rs. 100 a month, I think, is a very decent income, considering the average income of Indians in general, and I think one can live quite comfortably on Rs. 100 a month in India. A man who is in receipt of Rs. 100 a month may be a poor man in England, but in India a man who gets Rs. 100 a month is really a rich man. I don't think even a very small percentage of the total population of this country is in receipt of Rs. 100 a month on an average, but what is the real reason of the indebtedness? The reason is really psychological, and that is, we ape the Europeans; we try to ape them in what I may be excused in calling, their luxuries, manners and habits.

AN HONOURABLE MEMBER : Their vices ?

MR. GHANSHIAM SINGH GUPTA : I won't call them vices, because they are not vices for them, but they are downright vices for us Indians. We don't copy their good points. They have really many good points which we can copy with advantage, but we don't do it. What do we do? We merely copy their dress, manners and habits, because some of the Indians think that if they imitated them they will be regarded as a better class of persons,—they think that because they put on a tie and a collar, or because they put on a pantaloons and a hat they will be regarded as something above the average man. I say, Sir, this is entirely a false notion, and, therefore, unless you can change this psychological mentality in the Indians, no amount of patch work will be of any avail. The Royal Commission has reported that there is more indebtedness amongst the railway employees than among the other classes of employees. And what is the reason for it? The reason is that Indians in railway service try to ape the Englishmen more than the employees in other departments do. An Englishman has justification to stick to the dress which he is wearing. What justification is there for us to ape them and then say that an income of Rs. 100 a month is not sufficient and that we want protection. I say, Sir, that a man who is in receipt of Rs. 100 a month is really a rich man, and if he has got into this misery, it is not because he really needed all those luxuries, but because he wanted to ape the Englishman

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : The Honourable Member is discussing the details.

MR. GHANSHIAM SINGH GUPTA : I am discussing the psychology behind this Bill, and that is, Government wants to protect one class of persons, and I say you cannot protect them unless you really change their mentality. For instance, take this House. If this were really an Indian House or an Indian Assembly, I don't think we would need all these expensive carpets on which we walk with our shoes? Do we want all these things really? It is these things that make us poor. We do not use such carpets in our houses even to sleep on, whereas we are walking on them with our shoes. It is this habit that is eating into our vitals, and unless we change the psychology of Indians, we can never protect them, and, therefore, I say, that even if you increase the figure in this Bill, it will be quite useless.

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : Amendment moved :—

“ That the Bill be circulated for the purpose of eliciting public opinion thereon by the 30th of June 1935.”

MR. M. S. ANEY (Berar Representative) : I support the motion for sending this Bill out for eliciting opinion thereon, moved by my Honourable friend, Mr. Ghanshiam Singh Gupta. I do not want to inflict any speech at all. My Honourable friend has

pointed out prominently what he considers to be the essential defects, in principle, of the present Bill. Although I concede that there is a necessity for making some provision to protect low paid servants, whether they are Government servants or servants in the employ of private parties, still there should be a limit in making a distinction between a Government servant and an ordinary citizen. If the Bill is circulated for opinion, the public will get an opportunity to express clearly what limit they would like to fix in making that distinction. Secondly, the principle involved in clause 3 of the Bill clearly conflicts with any contracts that people might have already made. A certain arbitrary date is fixed here in clause 3. That is another point on which the public will certainly like to express their opinion. These two points are very important on which both the Government and this House should know the opinion of the public before the Bill can be sent to a Select Committee to take a final form for the approval of this House. They are points of principle, they are not mere points of detail. I shall not take up any more time of the House, but I think there is a good case for sending the Bill out for public opinion, and I hope the House will accept the motion for circulation.

MR. A. G. CLOW (Government of India : Nominated Official) : I have listened to the speech of my Honourable friend, Mr. Ghansham Singh Gupta, with regret. I think in a large measure he was under a serious misunderstanding as to the object and purpose of this Bill. I am sorry to say that I gathered the impression at other times that he was importing a certain amount of prejudice into the consideration of the measure. He referred, for example, to those very few persons in receipt of Rs. 6,000 a month, and I took him to suggest that the Bill had been introduced for their advantage. As he is doubtless aware

MR. GHANSHAM SINGH GUPTA : On a point of personal explanation, Sir, I did not say that it was introduced for the purpose of their protection. I only said that they could also be protected by this Bill.

MR. A. G. CLOW : I am very glad to hear that explanation. I would only point out what possibly he was not aware of, and that is that, under the existing law only half their salaries can be attached at present, so that it raises the protection of an individual from that class from Rs. 3,000 to Rs. 3,050, which I think the Honourable Member would agree is negligible. Further, it does not wipe out the debt after two years. It only stops one method of recovering it after a sum of approximately Rs. 35,000 has been recovered.

My Honourable friend referred to the reasons for the indebtedness, and suggested that they were in part psychological. I am prepared to agree that in the case of certain employees that is the case. But I would also maintain strongly that one reason, and a very important reason, for the indebtedness of certain classes of Government servants is the existing law ; and I think it was in regard to the effect of that law and the effect of the proposals in the Bill that my Honourable friend was under such a misapprehension. He compared the private employee with the Government employee, and, in spite of what the Honourable the Home Member said, he appeared to be under the impression that the Government employee was, or would be placed by this Bill, in a more favourable position. Precisely the contrary is the case. The ordinary private employee, getting for example, as my Honourable friend said, Rs. 500 a month, can have his salary attached only after it is payable. If he has failed to draw his salary let us say, on the first of the month, it can be attached on the 3rd, 4th or 5th of the month before it is paid to him, but no action can be taken until that sum is due. So that the salary is, for all practical purposes, exempt from attachment because it is almost impossible to go to a Court and get an order of attachment before the employer hands over the money. Now, the Government servant, the railway servant and the post office servant are in an entirely different position. The money-lender goes to the Court and says, " This man owes me Rs. 2,000 or 3,000. Please give me an order." That order is sent to the head of the department, and the head of the department is bound to attach, month by month, a proportion up to half his salary until the debt is repaid. It is that provision which enables this unfortunate man—for I maintain that a man with more than Rs. 100 a month can be unfortunate

MR. M. S. ANBY : They are fortunate in having security of tenure.

MR. GHANSHIAM SINGH GUPTA : Would you like to put them on a par with others ?

MR. A. G. CLOW : I am coming to that. It is that provision that enables them to contract and tempts them to contract such heavy debts. My Honourable friend asked whether I would put them on a par with others. As regards that, Government's proposals are in the Bill. But I will say this, that if you were to withdraw from this Bill and from the Civil Procedure Code the special provisions relating to the Government servant and the railway servant, they would be in a far more favourable position than they would be if this Bill were passed. I do not think I need say any more except that the Honourable the Home Member has asked me to say that if it is the general desire of the House that this Bill should be circulated he has no objection, but at the same time that will preclude the appointment of the Select Committee at the present moment.

AN HONOURABLE MEMBER : Let the question be now put.

SARDAR SANT SINGH (West Punjab : Sikh) : I strongly take exception to the fact that such an important measure, affecting as it does the commerce, trade and banking in this country, should be taken up at this fag end of the Session. Government probably did not consider the full significance and importance of the principles that underlie the provisions of this Bill. At the outset, let me say that it is bad in itself to introduce a measure which interferes with private contracts of parties but it is still worse to introduce a measure which practically debars people from trading with the class of people known as public servants in this country. The Honourable the Home Member has cleverly appealed in his speech to the feelings of my Honourable friends, Mr. Joshi, Mr. Giri and Mr. Ranga in the name of labour. Then, he very cleverly appealed to the sentiments of the House when he said that protection must be afforded from the evils of indebtedness. So far as the protection of labourers is concerned, so far as the provision to protect people from indebtedness is concerned, I am at one with everybody, but the question is, whether this measure is intended for that purpose, and, so far as the wages of labourers are concerned, section 60 of the Civil Procedure Code already has a provision for it. I hope Mr. Joshi will like to hear what the existing provision is as regards the protection afforded to the labourer in section 60.

CAPTAIN RAO BAHADUR CHAUDHRI LAL CHAND (Nominated : Non-Official) : The Honourable the Home Member has already said that.

SARDAR SANT SINGH : I have to elucidate the point. My Honourable friend, Captain Lal Chand, ought to know as a lawyer what elucidation means. Section 60 (1) says that the wages of labourers and domestic servants, whether payable in money or in kind, are exempted from attachment. So far as the fears of the advocates of the labourers are concerned, they should be at rest. Now, the only addition in the present Bill is in sub-clause (h) of clause 2 which says :—

“The wages of labourers and domestic servants, whether payable in money or in kind, and salary, if the amount of the salary does not exceed one hundred rupees monthly.”

PROF. N. G. RANGA (Guntur *cum* Nellore : Non-Muhammadan Rural) : That is a useful addition.

SARDAR SANT SINGH : Sentimentally it is very good. Then, the other point made is about the protection from indebtedness.

AN HONOURABLE MEMBER : Why do you say sentimentally ?

SARDAR SANT SINGH : I will deal with it later on. The position is that a public servant, who is in receipt of a salary of Rs. 100 or upwards, has got a credit in the market as pointed out by the Mover of this amendment. The general practice is that he goes to the shop, purchases the necessities of life from the shopkeepers and pays after he receives the salary. What will be the effect if this provision is made into law—that no shopkeeper and no trader will ever advance any money to any public servant. (*An Honourable Member* :

“So far, so good.”). If it is good, then, what I will say is that nothing is evil. If you want to protect him from running into debt, I will suggest to you another amendment and that is in sections 11 and 12 of the Contract Act. Section 11 says :—

“Every person is competent to contract who is of the age of majority according to the law to which he is subject, and who is of sound mind, and is not disqualified from contracting by any law to which he is subject.”

Section 12 of the Contract Act says :—

“A person is said to be of sound mind for the purpose of making a contract if, at the time when he makes it, he is capable of understanding it and of forming a rational judgment as to its effect upon his interests.”

I really cannot understand why this section should be brought in to limit the powers of contract.

PROF. N. G. RANGA : To help people in spite of themselves.

SARDAR SANT SINGH : Will you please wait ? I know that labour has obsessed you.

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : The Honourable Member had better address the Chair.

SARDAR SANT SINGH : My reason is that the public servant in this country has already got a good deal of facilities in social life. Now, when you introduce a legislation of this kind, you should consider what effect it will have upon the trade and commerce of the country generally.

The second point which I want to make in this case is that of a provision wherein the attachment of salary is limited to 24 months, and then there is a brake. Mr. Clow has said that it does not do away with the decree altogether, but it only stops the attachment. Let us illustrate it by a practical case. Supposing a public servant drawing Rs. 6,000 a month purchases property worth two lakhs and he borrows money for the purpose. The value of the property goes down. It goes down to, say, about Rs. 80,000. He invested this Rs. 80,000 for the purpose of making a profit, but unfortunately, owing to the fluctuation of the market, the price goes down. The result would be that he can escape the liability of two lakhs of rupees by paying Rs. 35,000 only, and then he is safe. Is that just ? Does it afford relief to the poor or to the deserving ? It affords relief to the highest paid official in this country. Then, Sir, the point is, why this particular solicitude for the Government servants and the servants of local authorities ? Why don't you extend it to lawyers, doctors, traders and commercial men and the shopkeepers. The arguments given by Mr. Clow were that the servants of private concerns are situated in a more favourable position inasmuch as their salary is only attachable after it becomes payable. I regret I have not been able to find this even in section 60 of the Civil Procedure Code which says :—

“The following property is liable to attachment and sale in execution of a decree, namely, lands, houses or other buildings, goods, money, bank notes, cheques, bills of exchange, *hundis*, promissory notes, etc.”

Now, supposing the attachment comes on the 26th of a month. Has not the man earned his pay for 26 days ? Why is it not liable to attachment ?

THE HONOURABLE SIR NRIPENDRA SIRCAR : May I inform my Honourable friend that his view is opposed to the view of all the High Courts ?

SARDAR SANT SINGH : It is attachable only when it becomes payable, and not before that. What is the difference ? The difference is only this much. What is in the background of the Honourable the Home Member. The gentleman who takes the money on the 3rd or 4th of the month will go and conceal that property, which the public servant

probably cannot do. Does he mean to say, Sir, that they want to place a premium upon dishonesty ?

MR. A. G. CLOW : On a point of personal explanation, Sir,—the Honourable Member is attributing something to me—that I have something in my mind, which however was not in my mind at all. There is no question of concealing the money. The point is that you cannot in the interval take any practical steps to get hold of such a debt in the case of a private salary which is usually paid promptly. With a Government servant, you can take your precautions in advance.

SARDAR SANT SINGH : That is exactly what I am dealing with. My position is very simple,—viz., that because the private servant may, after receiving the money, conceal the property and thus make the attachment difficult, that because that facility does not exist in the case of the public servant, therefore the public servant should be protected—is that the argument ? If that is the argument, then you are placing a premium upon the dishonest intention of a private individual.

Then, further, Sir, there is another question, namely

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : The real question before this House now is the principle of the Bill.

SARDAR SANT SINGH : I am pointing out the principles underlying this Bill, Sir.

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : It is open to the Honourable Member to do that ; that is the only question before the House now.

SARDAR SANT SINGH : My submission, Sir, is this, that this protection, which is being afforded to the public servant, is entirely out of place. Government probably ought to have considered, when introducing this Bill, what effect such a provision was likely to have upon the credit in the country. Therefore, it is absolutely necessary, in the interest of all those who deal with public servants, that either the public servants should be debarred from entering into contracts—just as certain people with certain disqualifications are debarred—rather than that such a provision should be enacted to protect them. Then, clause 3 of the Bill goes much further. It gives retrospective effect to the provisions of this Bill, which is against the canons of jurisprudence.

Therefore, Sir, I would say that the Bill should be circulated, and, after that, we can consider what the provisions should actually be.

SEVERAL HONOURABLE MEMBERS : I move that the question be now put.

MR. N. M. JOSHI (Nominated : Non-Official) : Mr. President, I shall not detain the House for more than a few minutes. At the outset, I must say that I am surprised that my friend of the Congress Party should have moved a motion for circulating the Bill. Sir, it is more than four years since the Royal Commission on Labour made its report, and I have said that several times in this House. Not only the recommendations of the Royal Commission have been before the country for more than four years, but the subject-matter of this Bill, if not the Bill itself, was circulated to Local Governments and the various organizations concerned with this subject. Therefore, Sir, if the Select Committee want to know the opinions of the various organizations and Local Governments, the Select Committee can very well obtain that information from the Government of India. Sir, I would, therefore, suggest to those gentlemen who are pressing for circulation not to press that dilatory motion and thus delay the reform coming into operation at an early date.

Now, Sir, as regards the subject of the Bill itself, I think there is a misunderstanding about the very basis of the proposal of the Royal Commission on Labour. I spoke on this subject when the Bill regarding arrest and imprisonment was before the House and the motion for circulating that Bill was made. The basis of the Royal Commission's recommendation is that the real evil from which not only the labourers but some of the

salary-earners suffer is due to their credit, i.e., their borrowing capacity which is secured on account of the various facilities offered by law for the recovery of debt. The Royal Commission, therefore, came to the conclusion that, if this evil is to be uprooted, it could be effectively done by destroying the credit of these people.

SARDAR SANT SINGH : Can you make them incompetent ?

MR. N. M. JOSHI : It is for that purpose that the Royal Commission made various recommendations. The first was to restrict the law of arrest and imprisonment for indebtedness. The second proposal of the Royal Commission is included in this Bill, namely, that the wages and salaries of all wage-earners and salary-earners should not be attached. My Honourable friend, Sardar Sant Singh, said that labourers and domestic servants are covered already by section 60 of the Civil Procedure Code. It is true, but I do not know whether a "labourer" is defined in the Civil Procedure Code.

SARDAR SANT SINGH : It is not defined here.

MR. N. M. JOSHI : That is true, but it is for that reason that this Bill is brought forward. You will see that the inclusion of the word "salary" extends the scope of the section referred to in the Civil Procedure Code. In the latter Code it is the labourer and the domestic servants that are only included ; in this Bill not only labourers and domestic servants but all people who receive a salary if the amount of such salary does not exceed one hundred rupees are included.

SARDAR SANT SINGH : Only labourers and domestic servants.

MR. N. M. JOSHI : I do not think so. I think labourers and wage-earners, irrespective of the wages they receive, and all people who receive salaries up to one hundred rupees. That is the intention of the section. (*Voices "Yes, yes."*) Therefore, labourers and wage-earners are included whatever may be the definition of "labourer," and besides them, other people also receiving monthly salaries up to one hundred rupees are included in this Bill. Therefore, the scope of this Bill goes much further than the section of the Civil Procedure Code. Moreover, as the word "labourer" is not defined, a large number of workers who work in the factories in various capacities may not be included by Courts of law in the word "labourer." Take, for instance, the railway servants. The Royal Commission, when they made their investigation, saw the great evil from which the railway servants suffered on account of the practice of their salaries being attached through their offices, and that was one reason why they made this recommendation, in spite of the fact that "labourers and domestic servants" were already covered. The first point was that some workers may not be covered by the word "labourer," and, secondly, there are salary-earning people who are practically labourers and who should be included in this Bill. So far, Sir, as I am concerned, I think it is wrong for the law to be the interest-gatherer and the debt-gatherer for the sake of creditors. (*Hear, hear.*) That facility given by the law is itself wrong. If some people want to enter into bargains and contracts let them collect their own money. (*Laughter.*) I do not know why the law should go to the help of the creditors at all. (*Hear, hear.*) (*Laughter.*) If you are going to have that law, by all means have the law for people who have got lots of money. If they want to make contracts, let them have the law for themselves. We do not want the law for the poor people. Sir, the Royal Commission recommended that the limit should also be of Rs. 300 a month. I do not know why the Government of India should have put the limit of Rs. 100. There are many railway people who get more than Rs. 100 and they are suffering from this evil. I would, therefore, like the Select Committee to consider the question of raising the limit from Rs. 100 to Rs. 300. Then, Sir, it is said that some classes of people are not included. In the first place, it is quite open to the Select Committee to include some classes of people which can be included with the consent of the Chairman of the Select Committee. So far as the scope of the Bill could be extended, that could be done. I feel, Sir, that the peasants and cultivators, in whom my friends are interested, do deserve relief in this matter and it is quite possible that some of them may be covered. If they are not covered, let another Bill be brought forward and they will have my fullest support. But let them remember this that because some other class of people are not covered, they should not come in the way

of some other people getting relief. That is the dog in the manger policy and I am quite sure that the Members of the Congress Party do not want to follow that policy. I, therefore, hope that the Members of the Congress Party, my Honourable friend, Mr. Aney, and also my Honourable friend, Sardar Sant Singh, will not press their dilatory motion. If it is necessary that opinions of some more organizations should be asked for, I would like the Honourable the Home Member to circulate the Bill by executive order, so that the opinions of those organizations which some Members want to be consulted may be obtained. We are making a motion for the Select Committee now in this Session and the Select Committee has to meet in August. There is enough time for the Honourable the Home Member to circulate the Bill by executive action and secure the opinions of Local Governments again, if you like, and of some of those organizations which may not have been consulted up to this time.

One word more, Sir, before I sit down. The Royal Commission on Labour made several recommendations to relieve the working classes from their indebtedness and I would like the Government of India to tell me what they have done as regards the other recommendations of the Royal Commission on this subject. The Royal Commission recommended that there should be a summary procedure for the liquidation of debts of the working classes and they also suggested that a new law should be passed. The Royal Commission thought that the law of insolvency does not suit the working classes. In the first place, the working classes being very honest class of people do not like to take advantage of the law of insolvency of which honest people do not take advantage. The Royal Commission, therefore, recommended that a new law should be passed for the sake of the working classes. They also suggested that the law of limitation so far as the working classes are concerned should also be amended. I would like the Government of India to tell me what they propose to do as regards the other recommendations of the Royal Commission. Sir, before I sit down I wish to express the hope that the motion for the Select Committee will be approved by this House and the much needed reform will not be delayed.

SEVERAL HONOURABLE MEMBERS : The question may now be put.

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : Sir Henry Craik.

PROF. N. G. RANGA : Sir, I want to say a few words on this motion.

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : Order, order : Sir Henry Craik.

THE HONOURABLE SIR HENRY CRAIK : Sir, I have only very few words to say. I would like to remind the House that when I brought forward a Bill connected with another aspect of this problem of indebtedness, namely, a Bill, which, so far as I recollect, practically abolishes the system of imprisonment for debt, the motion which I then made was that it should be circulated for eliciting public opinion thereon. My Honourable friends opposite pressed then that the Bill should go straight to a Select Committee. I do hope that they will keep a consistent course in regard to the present Bill and allow it to go straight to the Select Committee. If they agree to that, I am perfectly prepared to accept the suggestion put forward by my Honourable friend, Mr. Joshi, that I should circulate it privately before the Select Committee meets which will not be in any case till just before or during the Simla Session, and that I will do my best to ascertain the opinion not only of Local Governments and of High Courts but also of bodies representing commercial opinion, Chambers of Commerce, Trade Associations and so on.

AN HONOURABLE MEMBER : Also Bar Associations.

THE HONOURABLE SIR HENRY CRAIK : Bar Associations will also be consulted.

PROF. N. G. RANGA : Peasant Associations should also be consulted.

THE HONOURABLE SIR HENRY CRAIK : We will also consult Peasant Associations where such exist, so that the Select Committee may be in full possession of the views of both sides of this question. In view of that undertaking, I hope the Honourable Member will withdraw his motion for circulation and will agree to the Bill going straight to the Select Committee.

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MR. PRESIDENT (The Honourable Sir Abdur Rahim) : Sir Henry Craik.

PROF. N. G. RANGA : Sir, I want to say a few words on this motion.

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : Order, order : Sir Henry Craik.

THE HONOURABLE SIR HENRY CRAIK : Sir, I have only very few words to say. I would like to remind the House that when I brought forward a Bill connected with another aspect of this problem of indebtedness, namely, a Bill, which, so far as I recollect, practically abolishes the system of imprisonment for debt, the motion which I then made was that it should be circulated for eliciting public opinion thereon. My Honourable friends opposite pressed then that the Bill should go straight to a Select Committee. I do hope that they will keep a consistent course in regard to the present Bill and allow it to go straight to the Select Committee. If they agree to that, I am perfectly prepared to accept the suggestion put forward by my Honourable friend, Mr. Joshi, that I should circulate it privately before the Select Committee meets which will not be in any case till just before or during the Simla Session, and that I will do my best to ascertain the opinion not only of Local Governments and of High Courts but also of bodies representing commercial opinion, Chambers of Commerce, Trade Associations and so on.

AN HONOURABLE MEMBER : Also Bar Associations.

THE HONOURABLE SIR HENRY CRAIK : Bar Associations will also be consulted.

PROF. N. G. RANGA : Peasant Associations should also be consulted.

THE HONOURABLE SIR HENRY CRAIK : We will also consult Peasant Associations where such exist, so that the Select Committee may be in full possession of the views of both sides of this question. In view of that undertaking, I hope the Honourable Member will withdraw his motion for circulation and will agree to the Bill going straight to the Select Committee.

MR. GHANSHIAM SINGH GUPTA : Sir, in view of the assurance given by the Honourable the Home Member, I beg leave of the House to withdraw my motion. I would like to say only one word. I was never opposed to the principle of this Bill. I am in entire agreement with it and I only wanted its scope to be widened.

The amendment was, by leave of the Assembly, withdrawn.

MR. PRESIDENT (The Honourable Sir Abdur Rahim) : The question is :—

“ That the Bill further to amend the Code of Civil Procedure, 1908, for certain purposes (*Amendment of section 60*), be referred to a Select Committee, consisting of the Honourable the Law Member, Mr. A. G. Clow, Mr. M. Ananthasayanam Ayyangar, Mr. Shri Krishna Sinha, Mr. Ghanshiam Singh Gupta, Mr. Muhammad Azhar Ali, Mr. K. L. Gauba, Pandit Lakshmi Kanta Maitra, Mr. F. E. James, Mr. J. M. Chatarji and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

The motion was adopted.

Copy of letter No. 1424/96A, dated the 11th June 1935, from the Association to the Commissioner of Labour, Bombay.

Subject :—A BILL FURTHER TO AMEND THE CODE OF CIVIL PROCEDURE, 1908, FOR CERTAIN PURPOSES.

I am directed to acknowledge the receipt of your letter No. 1445, dated the 17th ultimo, and to say that my Committee have nothing to add to the remarks contained in paragraph 3 of Mr. Maloney's letter No. 263/53, dated the 7th February 1933.

APPENDIX 20.

CONTINUOUS REPRESENTATION OF THE ASSOCIATION IN THE CENTRAL LEGISLATURE.

Copy of Circular No. R-327-III, dated the 9th October 1935, from the Government of Bombay, Political and Reforms Department, to the Association.

I am directed by the Governor in Council to forward herewith for your use a copy of the Supplementary Report of the Bombay Provincial Delimitation Committee on the delimitation of constituencies for the Federal Council of State, Federal Assembly and the Bombay Legislative Council and of a Press Note containing the provisional views of the Government of Bombay, on the recommendations of the Committee. If you desire to submit your representation to the Indian Delimitation Committee, with reference to the recommendations of the Bombay Provincial Delimitation Committee or otherwise I am to suggest that you should forward your written statement to me so as to reach me not later than the 14th October 1935.

PRESS NOTE.

In the Press Note published on the 5th October, it was stated that any persons or bodies desiring to submit their representations to the Indian Delimitation Committee, with reference to the recommendations of the Bombay Provincial Delimitation Committee, in their Supplementary Report dated the 1st October 1935, or otherwise, should forward their

decided to extend the time limit for submission of written representations till the 14th October.

PRESS NOTE DATED 5TH OCTOBER 1935.

1. Recommendations of the Bombay Provincial Delimitation Committee contained in their Supplementary Report dated the 1st October 1935.

The Bombay Provincial Delimitation Committee, which was re-assembled by Government on the 30th September 1935, has submitted a supplementary report to Government on the 1st October, containing its recommendations on the delimitation of constituencies for the Federal Council of State, Federal Assembly and the Bombay Legislative Council. These are briefly summarised below.

BOMBAY LEGISLATIVE COUNCIL.

The Committee considered the public criticisms and written statements received on its original proposals and the provisional views of the Government of Bombay, contained in their Press Note No. R-319-III, dated the 9th September 1935. It also considered the revised franchise qualifications proposed by His Majesty's Government for the Federal and Provincial Upper Houses and the figures of the estimated number of voters based on the revised franchise qualifications. The proposals in the Committee's main report were based on the franchise qualifications which were tentatively proposed by the Government of Bombay and on the figures of the estimated number of voters then supplied to it, which were only approximate. The position has been considerably altered as a result of the revised franchise qualifications proposed by His Majesty's Government and the revised figures of the estimated number of voters based on them. On further consideration, therefore, the Committee has agreed with the view taken by the Government of Bombay, that, in view of the wide divergence between the population and the voting strength of the various parts of the Presidency, it is not proper to adopt the voting strength of each constituency only as the basis of distribution of seats and that a fairer and more equitable method of distribution is to adopt both the population and the voting strength as the basis. The Committee has further decided that the constituencies suggested by the Divisional Commissioners for the Council of State in this Presidency should be adopted for the purposes of the Provincial Legislative Council also. This proposal has, in the Committee's opinion, several obvious advantages from the administrative point of view and will also result in some saving of cost. In modification of its previous recommendations contained in paragraphs 55-64 of the main report, the Committee has accordingly recommended the following constituencies and distribution of seats for the Bombay Legislative Council :—

<i>Name of Constituency.</i>	<i>Class of Constituency.</i>	<i>Number of members.</i>
Bombay City and Bombay Suburban District (excluding Ambernath)	General Urban.	4
Ahmedabad and Kaira Districts	General Rural.	2
Broach and Panch Mahals and Surat Districts	Do.	2
Thana (including Ambernath), Nasik and Ahmednagar Districts ..	Do.	2
East Khandesh and West Khandesh Districts	Do.	2
Poona and Satara Districts	Do.	2
Sholapur, Belgaum and Bijapur Districts	Do.	2
Kolaba and Ratnagiri Districts	Do.	2
Dharwar and Kanara Districts	Do.	2
Bombay City and Bombay Suburban District (excluding Ambernath)	Muhamma- dan Urban.	2
Northern Division	Muhamma- dan Rural.	1
Central Division	Do.	1
Southern Division	Do.	1
Bombay Presidency	European	1

FEDERAL ASSEMBLY.

(i) *Commerce and Industry Seats.*—Of the three seats allotted to Commerce and Industry in the Federal Assembly one should be given to a constituency formed of the Bombay Chamber of Commerce and the Bombay Trades Association combined, one to the Indian Merchants' Chamber and one to the Bombay and Ahmedabad Millowners' Associations in rotation. The members of these commercial bodies should be qualified as electors, and the method of election should be the same as that prescribed at present for the Commerce and Industry seats allotted to this Presidency in the Indian Legislative Assembly.

(ii) *Landholders' Seat.*—The majority of the Committee are of the opinion that the one Landholders' seat allotted to this Presidency in the Federal Assembly, should be filled by persons voting in a territorial constituency covering the whole Presidency and the qualifications of voters and the method of election should be similar to those prescribed at present for the Gujarat and Deccan Sardars and Inamdars constituency of the Indian Legislative Assembly.

(iii) *Labour Seats.*—The two labour representatives of this Presidency in the Federal Assembly should be elected by registered trade unions. There should be a single constituency for the whole Presidency comprising all registered trade unions of industrial workers. The qualifications of electors and candidates and the method of election should, as far as possible, be the same as those for the trade union constituencies of the Bombay Legislative Assembly, the system of election being indirect through an electoral college of delegates elected by the unions comprised in the constituency.

COUNCIL OF STATE.

The Divisional Commissioners' proposals for the delimitation of constituencies for the General and Muhammadan seats allotted to this Presidency in the Council of State have been accepted by the Committee. As in the case of the Provincial Legislative Council, both population and voting strength combined has been adopted as the basis of distribution of seats. On this basis the Committee has allotted two general seats and one Muhammadan seat to a constituency comprising Bombay City, and Bombay Suburban District. Of the remaining 8 General seats one has been allotted to each of the eight General Rural constituencies suggested by the Committee for the Bombay Legislative Council and one Muhammadan seat has been allotted to each of the three Divisions in the Presidency proper.

Further details of the Committee's scheme may be obtained from its report which is on sale at the Government Book Depot, Charni Road, Bombay, the price being one anna.

II. PROVISIONAL VIEWS OF THE GOVERNMENT OF BOMBAY ON THE RECOMMENDATIONS OF THE BOMBAY PROVINCIAL DELIMITATION COMMITTEE CONTAINED IN THEIR SUPPLEMENTARY REPORT DATED THE 1ST OCTOBER 1935.

Bombay Legislative Council.

The provisional views of Government on the original scheme of constituencies of the Bombay Legislative Council contained in the main report of the Bombay Provincial Delimitation Committee were published in Press Note No. R-319-III, dated the 9th September 1935. Since then the franchise qualifications for the Federal and Provincial Upper Houses proposed by His Majesty's Government have been published. Having regard to these franchise qualifications and the electorate likely to result therefrom the Government of Bombay are of the opinion that their provisional views require to be revised and they accept the revised scheme of constituencies of the Council proposed by the Committee in its supplementary report dated the 1st October 1935.

FEDERAL ASSEMBLY AND THE COUNCIL OF STATE.

The proposals of the Committee with regard to the delimitation of Commerce and Industry, Landholders and Labour, constituencies for the Federal Assembly, and for the General and Muhammadan seats allotted to this Presidency in the Council of State are also accepted by Government.

Any persons or bodies desiring to submit their representations to the Indian Delimitation Committee with reference to the above recommendations of the Bombay Provincial Delimitation Committee or otherwise should forward their written representations to the Chief Secretary to the Government of Bombay, Political and Reforms Department, Council Hall, Poona, not later than the 11th October 1935.

Supplementary Report of the Bombay Provincial Delimitation Committee.

In our main report of the 11th July 1935, we had submitted our proposals with regard to the constituencies of the Bombay Legislative Assembly and the Bombay Legislative Council. These were published for eliciting opinions and criticisms from the public and were also discussed in the Bombay Legislative Council. The Government of Bombay also published their provisional views on our report in their Press Notes of the 15th August and the 9th September 1935.

We have now been asked by Government letter No. R-287, dated the 23rd September 1935, to meet again to consider :—

- (i) the public criticisms and written statements received on our report and the provisional views of Government thereon on the scheme of constituencies for the Bombay Legislative Assembly, and to submit our final report to Government not later than the 15th October ;
- (ii) the public criticisms and written statements received on our recommendations and the provisional views of Government regarding the constituencies of the Bombay Legislative Council in the light of the revised franchise qualifications for the Council and to submit our final report to Government not later than the 1st October ;
- (iii) the provisional views of Government on the delimitation of the Commerce and Industry, Landholders and Labour constituencies of the Federal Assembly in the Presidency proper and to report, not later than the 1st October, whether we concur with them, and to submit any modifications which we might consider necessary ;
- (iv) the delimitation of constituencies for the Federal Council of State in the Presidency proper for filling the General and Muhammadan seats having regard to the report of the Divisional Commissioners thereon, and to report, not later than the 1st October, whether we concur with the Commissioners' proposals and to suggest any modifications which we might think necessary ;
- (v) to consider and report in what manner the term of office of certain of the elected members of the Federal Council of State and the Bombay Legislative Council should, upon the first constitution of the Council of State and the Council, be curtailed so as to secure that, as nearly as may be, one-third of the members holding seats of each class shall retire every third year thereafter, as laid down in paragraph 14 of Part I, of the First Schedule and paragraph 18 of the Fifth Schedule to the Government of India Act, 1935 ; and
- (vi) to consider and report on the points mentioned in the letter from His Majesty's Secretary of State for India to Sir Laurie Hammond, K.C.S.I., C.B.E., dated the 31st July 1935, so far as they relate to electoral arrangements and the delimitation of constituencies.

2. The members of our committee are the same as on the former occasion, except that Mr. C. W. A. Turner, C.S.I., C.I.E., I.C.S., has taken the place of Mr. J. H. Garrett, C.S.I., I.C.S., as Member, and Rao Saheb V. H. Vachhrajani, M.A., LL.B., has taken the place of Mr. H. T. Lambrick, I.C.S., as Secretary. We held the first meeting of our second session at Poona on the 30th September 1935.

3. We will deal later with the questions referred to in clauses (i), (v) and (vi) of paragraph 1 above in a separate report. In this report we have dealt with the three questions on which we have been asked to report urgently by the 1st of October.

4. The first question we have been asked to consider is the delimitation of constituencies of the Provincial Legislative Council. Our original proposals on this subject are contained in paragraphs 55-64 of the main report. These proposals were based on the franchise qualifications which were tentatively proposed by the Government of Bombay and on the figures of the estimated number of voters then supplied to us which were admittedly only approximate. The position has been considerably altered now. The franchise qualifications now fixed by the Secretary of State differ materially from those on which our original proposals were based and reduce the electorate considerably. The estimated number of voters in Bombay City and in each district of the Presidency on the basis of the new franchise is very different from the original estimate. On the new franchise the Commissioners report that the number of voters will be :—

Constituency.	General voting strength.	Muhammadian voting strength.
Bombay City and Bombay Suburban District (excluding Ambernath)	2,610	460
Northern Division	2,685	400
Central Division	2,685	172
Southern Division	2,331	203
	10,311	1,235

5. We have considered the public criticisms and written statements received on our original proposals and the provisional views of the Government of Bombay contained in their Press Note No. R-319-III, dated the 9th September 1935. Our original proposals were based on a consideration of the voting strength of each constituency only. On further consideration, we agree with the view taken by the Government of Bombay that, in view of the wide divergence between the population and the voting strength of the various parts of the Presidency, this principle will not result in a very equitable distribution of seats, and that a fairer method to adopt would be to consider both the population and the voting strength.

6. Many of the criticisms received from the public on our proposals such as alterations in the franchise qualifications and the provision of seats in the Upper Chamber for the scheduled castes relate to matters which are beyond the scope of our enquiry.

7. We considered two alternative methods for the formation of constituencies and the distribution of the 20 general seats in the Bombay Legislative Council. One method is to distribute the seats, first between Bombay City and each of the three Divisions and then to form constituencies within each Division and allot seats to them. This is the method accepted by the Government of Bombay in their provisional views published in their Press Note No. R-319-III of the 9th September 1935. This method follows the revenue divisions of the Presidency and provides, in the main, single-member constituencies. Another method is that adopted by the Commissioners in their report No. C.N.J.P.-578, dated the 26th September 1935, with regard to the formation of constituencies for the Federal Council of State. According to this method Bombay City would be given four seats on a consideration of its population and voting strength, and the remaining 16 seats would be distributed between 8 constituencies formed out of the 19 districts of the Presidency, the grouping of contiguous districts being made without regard to the revenue divisions. After careful consideration of both these methods we have decided unanimously in favour of the second method, and propose that the constituencies suggested by the Commissioners for the Council of State in this Presidency should be adopted for the purposes of the Provincial Legislative Council also. As there are twice as many general seats in the Provincial Legislative Council as there are in the Federal Council of State, each constituency will have two seats in the Provincial Council. This proposal has, in our opinion, several obvious advantages from the administrative point of view. It will simplify the preparation and maintenance of electoral

rolls and the holding of elections, as the franchise qualifications will be common for both the Provincial and the Federal Upper Chambers, and the constituencies, and presumably the officers conducting the elections, will also be the same. It will also result in some saving of cost. In proposing that these 20 seats should be allotted to 9 plural-member constituencies, we assume that the system of cumulative voting will apply. In our main report we have discussed at some length the reasons which have led us to the conclusion that, in the conditions of this Presidency, the system of plural-member constituencies with cumulative voting is absolutely necessary, and is the only system by which the interests of the various minorities can be adequately safeguarded. We find that our views on this point have been fully endorsed by the Government of Bombay and the Bombay Legislative Council, and they have also received the almost unanimous approval of the public as expressed in the written representations received by us. One of our members, Sardar Rao Bahadur B. R. Naik, had suggested as an alternative that the five Gujarat Districts, namely, Ahmedabad, Kaira, Surat, Broach and Panch Mahals, should be formed into a single constituency with four seats. The other members were not in favour of this proposal.

8. We, therefore, recommend, in modification of our previous proposals, that the constituencies for the Provincial Legislative Council should be formed, and the seats allocated to each, as shown in Statement I appended to this report.

FEDERAL ASSEMBLY.

9. We have considered the proposals of the Government of Bombay with regard to the delimitation of the Commerce and Industry, Landholders and Labour constituencies for the Federal Assembly and are in entire agreement with them. They are largely based on the existing arrangements and have the further advantage of maintaining the present proportion of representation for European and Indian commercial interests in the Central Legislature.

10. We are, therefore, of opinion that of the three seats allotted to Commerce and Industry in the Federal Assembly one should be given to a constituency formed of the Bombay Chamber of Commerce and the Bombay Trades Association combined, one to the Indian Merchants' Chamber and one to the Bombay and Ahmedabad Millowners' Associations in rotation. The members of these commercial bodies for the time being should be qualified as electors for the constituency comprising the body or bodies of which they are members, and the qualifications of electors and the method of election should be the same as those prescribed at present for the Commerce and Industry seats allotted to this Presidency in the Indian Legislative Assembly [Legislative Assembly Electoral Rules, Schedule II, Part II, rule 9, and Legislative Assembly (Bombay) Electoral Regulations, Part VII].

11. The majority of our Committee agree with Government that the one Landholders' seat allotted to this Presidency in the Federal Assembly should be filled by persons voting in a territorial constituency covering the whole of the Presidency, as in the case of the present Gujarat and Deccan Sardars' and Inamdars' constituency of the Indian Legislative Assembly, and that the qualifications of voters and method of election should also be similar to those prescribed at present for that constituency. [Legislative Assembly Electoral Rules, Schedule II, Part II, rule 8(2), and Legislative Assembly (Bombay) Electoral Regulations, Part IV.]

12. Three of our members—Sardar Naik, Dr. Solanki and Mr. Rahimtoola—were against this proposal on the ground that as the Gujarat Sardars and Inamdars number only 175 as against 324 in the Central Division and 210 in the Southern Division, the Gujarat Sardars (i.e., of the Northern Division) can never have a chance of electing their own representative if all the three divisions were combined into a single constituency and that their problems are different from those of the other two divisions. They, therefore, proposed that there should be two constituencies, one of the Gujarat Sardars and Inamdars and one of the combined Sardars and Inamdars of the Central and Southern Divisions, and that each of these should enjoy the seat in rotation as in the case of the Bombay and Ahmedabad Millowners' Associations. In the alternative they suggested that there should be three constituencies of the three divisions each enjoying the seat in rotation. The majority of this Committee were not in favour of either of these proposals, in view of the fact that the number

of Gujarat Sardars and Inamdars is less than one-third of the combined Sardars and Inamdars of the Central and Southern Divisions and less also than the number in each of these divisions separately.

LABOUR SEATS.

13. We agree with Government that the two labour representatives of this Presidency in the Federal Assembly should be elected by registered trade unions. There should be a single constituency for the whole Presidency comprising all registered trade unions of industrial workers and the two labour seats should be allotted to it. The qualifications of electors and candidates and the method of election should, as far as possible, be the same as those for the trade union constituencies of the Bombay Legislative Assembly, the system of election being indirect through an electoral college of delegates elected by the unions comprised in the constituency.

14. One of our members—Khan Bahadur Abdul Latif—was in favour of allotting one of the two seats to a trade union constituency comprising all the registered trade unions of industrial workers of the whole Presidency, and one to a special labour constituency consisting of the industrial workers of Deccan, Khandesh and Karnatak. He was also in favour of restricting candidature in both the constituencies to *bona-fide* manual labourers. The rest of the Committee were against the proposal, as in their view it would retard the growth of the trade union movement.

15. We append a statement (Statement II) showing the constituencies for the Federal Assembly in this Presidency which we propose for the above special interests and the distribution of the seats.

COUNCIL OF STATE.

16. We have considered the Commissioners' proposals for the delimitation of constituencies for the General and Muhammadan seats allotted to this Presidency in the Council of State, and are in entire agreement with them. We propose that, as in the case of the Provincial Legislative Council, both population and voting strength combined should be adopted as the basis of distribution of seats. On this basis Bombay City with the Bombay Suburban District (excluding Ambernath) will be entitled to two seats, and we therefore recommend that two seats should be allotted to the constituency comprising Bombay City and the Bombay Suburban District. As regards the remaining eight general seats, we agree with the Commissioners that the simplest plan is to ignore the revenue divisions and to group together contiguous districts, having regard to their population and voting strength, and to allocate one seat to each constituency so formed. We realize that such an arrangement will result in single-member constituencies, but, though we adhere to the view that the conditions of this Presidency make plural-member constituencies preferable, we think that having regard to the very small number of seats available for distribution, the constituencies will be unmanageable if more than one seat is provided for each. One of our members—Sardar Naik—was in favour of forming a single constituency out of the five districts of Gujarat, viz., Ahmedabad, Kaira, Surat, Broach and Panch Mahals with two seats. The rest of the Committee were not in favour of this proposal.

17. Our proposals showing the constituencies for the Council of State in this Presidency and the number of seats allotted to each constituency are contained in Statement III appended.

N. J. WADIA (*Chairman*).

C. W. A. TURNER.

R. R. KALE.

BHIMBHAI R. NAIK.

P. G. SOLANKI.

ABDUL LATIF HAJI HAJRAT KHAN.

HOOSENALLY M. RAHIMTOOLA.

N. E. NAVLE.

S. N. ANGADI.

V. H. VACHHRAJANI,
Secretary.

POONA, 1st October 1935.

STATEMENT I.

Showing proposed constituencies for the Bombay Legislative Council.

Name of Constituency.	Class of Constituency.	Extent of Constituency.	No. of Members.
Bombay City and Bombay Suburban District (excluding Ambernath).	General Urban.	The City of Bombay, and the Bombay Suburban District (excluding Ambernath).	4
Ahmedabad and Kaira Districts	General Rural.	The Districts of Ahmedabad and Kaira.	2
Broach and Panch Mahals and Surat Districts.	Do.	The Districts of Broach and Panch Mahals and Surat.	2
Thana (including Ambernath), Nasik and Ahmednagar Districts.	Do.	The Districts of Thana (including Ambernath), Nasik and Ahmednagar.	2
East Khandesh and West Khandesh Districts.	Do.	The Districts of East Khandesh and West Khandesh.	2
Poona and Satara Districts	Do.	The Districts of Poona and Satara ..	2
Sholapur, Belgaum and Bijapur Districts.	Do.	The Districts of Sholapur, Belgaum and Bijapur.	2
Kolaba and Ratnagiri Districts	Do.	The Districts of Kolaba and Ratnagiri..	2
Dharwar and Kanara Districts	Do.	The Districts of Dharwar and Kanara ..	2
Bombay City and Bombay Suburban District (excluding Ambernath).	Muhammadan Urban.	The City of Bombay and the Bombay Suburban District (excluding Ambernath).	2
Northern Division	Muhammadan Rural.	The Districts of Ahmedabad, Kaira, Broach and Panch Mahals, Surat and Thana (including Ambernath).	1
Central Division	Do.	The Districts of Ahmednagar, East Khandesh, West Khandesh, Nasik, Poona, Satara and Sholapur.	1
Southern Division	Do.	The Districts of Belgaum, Bijapur, Dharwar, Kanara, Kolaba and Ratnagiri.	1
The Bombay Presidency	European.	The Presidency of Bombay	1

STATEMENT II.

Showing constituencies for Commerce and Industry, Landholders and Labour seats allotted to the Presidency proper in the Federal Assembly.

Name of Constituency.	Class of Constituency.	Extent of Constituency.	No. of Seats.
Bombay Chamber of Commerce and Bombay Trades Association combined.	Commerce and Industry.	(Non-territorial)	1
Indian Merchants' Chamber	Do.	Do.	1
Bombay Millowners' Association	Do.	Do.	1 (by rotation.)
Ahmedabad Millowners' Association ..	Do.	Do.	
Gujarat and Deccan Sardars and Inamdars.	Landholders.	The Presidency of Bombay	1
Bombay Presidency Trade Unions ..	Labour.	Do.	2

STATEMENT III.

Showing proposed constituencies for General and Muhammadan seats allotted to the Presidency proper in the Council of State.

Name of Constituency.	Class of Constituency.	Extent of Constituency.	No. of Members.
Bombay City and Bombay Suburban District (excluding Ambernath).	General Urban.	The City of Bombay and the Bombay Suburban District (excluding Ambernath).	2
Ahmedabad and Kaira Districts	General Rural.	The Districts of Ahmedabad and Kaira.	1
Broach and Panch Mahals and Surat Districts.	Do.	The Districts of Broach and Panch Mahals and Surat.	1
Thana (including Ambernath), Nasik and Ahmednagar Districts.	Do.	The Districts of Thana (including Ambernath), Nasik and Ahmednagar.	1
East Khandesh and West Khandesh Districts.	Do.	The Districts of East Khandesh and West Khandesh.	1
Poona and Satara Districts	Do.	The Districts of Poona and Satara ..	1
Sholapur, Belgaum and Bijapur Districts.	Do.	The Districts of Sholapur, Belgaum and Bijapur.	1
Kolaba and Ratnagiri Districts	Do.	The Districts of Kolaba and Ratnagiri..	1
Dharwar and Kanara Districts	Do.	The Districts of Dharwar and Kanara ..	1
Bombay City and Bombay Suburban District (excluding Ambernath).	Muhammadan Urban.	The City of Bombay and the Bombay Suburban District (excluding Ambernath).	1
Northern Division	Muhammadan Rural.	The Districts of Ahmedabad, Kaira, Broach and Panch Mahals, Surat and Thana (including Ambernath).	1
Central Division	Do.	The Districts of Ahmednagar, East Khandesh, West Khandesh, Nasik, Poona, Satara and Sholapur.	1
Southern Division	Do.	The Districts of Belgaum, Bijapur, Dharwar, Kanara, Kolaba and Ratnagiri.	1

Copy of letter No. 2554/150, dated the 15th October 1935, from the Association to the Secretary, Indian Delimitation Committee, Council Hall, Poona.

Through the courtesy of the Chief Secretary to the Government of Bombay, Political and Reforms Department, my Association has been furnished with a copy of the Supplementary Report of the Bombay Provincial Delimitation Committee on the delimitation of constituencies for the Bombay Legislative Council, Federal Assembly and Council of State, together with an intimation that any representation which we have to make regarding the recommendations should be submitted to you.

In this connection, I am directed to state that the only important criticism which my Association desires to submit concerns the recommendations made regarding the allocation of seats to commerce and industry constituencies in the Federal Assembly and the method of election proposed to be adopted for these constituencies. Since the year 1924, the Mill-owners' Association, Bombay, has submitted numerous representations to both the Central and Provincial Governments in which the desirability of granting continuous representation to the Association in the Central Legislature has been urged. My Committee have instructed me to bring to your notice once more the main grounds upon which the claim for continuous representation is based.

The Millowners' Association, Bombay, judged by any standard, has as great a stake in the trade, commerce and industry of the country as any other Association or Chamber of Commerce, and greater than most such bodies. It is the only organization of its kind which has an All-India membership. Its influence in the commercial and industrial field has consistently grown since its establishment in 1875. The expansion of its influence during recent years may be judged from the fact that since 1924 when the first case for continuous representation in the Assembly was submitted, up-country membership of the Association has increased by 50 per cent. and to-day there is no important centre of the industry in the country un-represented in the Association.

The Association has consistently adopted an economic view point towards all the important questions with which it has had to deal and provides an outstanding example of an organization composed of different nationalities, European and Indian, working in harmonious co-operation for the common good. On no important issue have any extraneous considerations not affecting the merits of the case been allowed to influence the policy of the Association. During the past 60 years, representatives of the Association in the Central and Provincial Legislatures and on Commissions and Committees of enquiry have rendered invaluable help in the economic development of India, and the Association's work in this connection has been widely recognized.

My Committee strongly feel, if the issue is still open, that the All-India character of the Association's work and activities make it essential that continuous representation should be given to it in the Federal Assembly in order to ensure the continuance, in the fullest measure, of the Association's collaboration in the cause of progress in the industrial and commercial field.

Another criticism which my Association has to offer on the Bombay Delimitation Committee's report concerns the method of election to be followed in commercial and industrial constituencies. The present system of election in commercial constituencies is most unsatisfactory, and it is strongly urged that the procedure be amended according to the proposals put forward in a representation submitted by this Association to the Bombay Delimitation Committee in a letter No. 1512/150 dated the 24th June 1935—copy enclosed herewith—in preference to the retention of the present system, which appears to be advocated in paragraph 10 of the Bombay Provincial Delimitation Committee's Supplementary Report.

I am further to state that the Association would be prepared, if the Delimitation Committee consider it desirable, to submit a fuller statement of their case, or appoint a representative to give oral evidence before your Committee.

APPENDIX 21.

RE-ARRANGEMENT AND RE-DISTRIBUTION OF COMMERCE AND INDUSTRY CONSTITUENCIES IN PROVINCIAL LEGISLATURES.

*Copy of letter No. 1512/150, dated the 24th June 1935, from the Association
to the Secretary of the Bombay Delimitation Committee, Poona.*

Under instructions from the Committee of the Millowners' Association, Bombay, I beg to submit the following statement for the consideration of your Committee.

2. My Committee at the outset desire to reiterate the view which they have all along expressed that the proposed representation of commercial and industrial interests in the Bombay Legislative Assembly is altogether inadequate, and places them at a considerable disadvantage *vis-a-vis* labour interests, which, taking into calculation the seats allotted to Depressed Classes, will, for all practical purposes, have a representation of 22 members. However, in view of the fact that this anomaly is beyond the power of the

Delimitation Committee to set right, the least they could do to safeguard the interests of which my Association is the custodian, is to transfer to the Bombay Millowners' Association constituency the seat which is at present reserved for the Karachi Chamber of Commerce.

In support of this submission, I am desired to point out that my Association is the most representative body of millowners in India whose membership covers every province and practically every centre of the Industry. The position it has occupied in the industrial life of India does not require to be stressed, but I may be permitted to quote the remarks of Lord Irwin, who thus expressed himself in December 1927 :—

“Your Association is valuable not only to yourselves ; it is also a great asset to the Government of India. There is hardly a single important question connected with industries, factory legislation or labour during the past fifty years in which the Government has not been assisted by the considered views of the Millowners of Bombay.”

In all the circumstances of the case, my Committee hold that a very clear case exists for additional representation to be accorded to the Bombay Millowners' Association Constituency in the proposed Bombay Legislative Assembly, and they trust that it will be possible for your Committee to adopt the suggestion made in sub-para (1) of paragraph 2 of this letter.

3. In a letter addressed to the Association by the Reforms Officer on 16th July, 1932, it was pointed out that in some cases, the rules of certain Associations which are recognized for the purpose of electing members to the Legislatures might be so applied as seriously to affect their representative character, and this Association was asked whether any changes were required in our electoral rules with a view to remove this defect if it existed. My Committee are of opinion that no such defects exist in the rules of the Association, but I am desired to draw your attention to one or two points arising out of the present rules and regulations prescribed by Government relating to the conduct of elections.

4. The electoral rules and regulations prohibit voting by post. As pointed out above, the membership of this Association is of an all-India character, and under the present rules, unless all members of the Association could specially make it convenient to be present in Bombay for the purpose of recording their votes, it is impossible for them to participate in any election. What is, therefore, suggested is that, from the point of view of the convenience of all members of the Association, voting by post should be permitted in our constituency and other similar constituencies.

5. Another point which my Committee desire to bring to the notice of the Delimitation Committee concerns the suggestion made in Paragraph 325 of the Indian Franchise Committee's Report, namely, that in the case of commerce and industry constituencies the name of the firm should appear on the electoral roll, and that the firm should depute someone to act on its behalf in an electoral capacity. Certain draft amendments in the Bombay electoral rules were subsequently framed by the Local Government to give effect to this suggestion, and the constituencies concerned were consulted (*vide* Government's letter of 24th November 1932). This Association entirely approved the principle involved in the amendment, but pointed out that no definite provisions had been made to enable the returning officer of a commerce and industry constituency to decide which authorized representative of a firm should vote. In the case of the Millowners' Association, member mills have more than one authorised representative, that is to say, more than one person is entitled to exercise the privileges of membership on behalf of the member. In such cases it is necessary that the returning officer should have definite instructions as to which of the representatives should vote. As an indication, I would invite your attention to the general rules and regulations of the Association, which provides that if two or more persons, who are entitled to act and vote on behalf of one member, shall be present at any meeting of the Association, the one who takes priority in the order of precedence in the “register of persons eligible to act and vote” maintained by the Association shall alone be entitled to act at such meeting. This ensures that the senior-most officer of the firm or company present at the meeting takes part in the voting and it is suggested that a similar provision be incorporated in the electoral rules and regulations to clarify the position.

My Association will greatly appreciate an opportunity of elaborating its viewpoint with regard to the representation of industrial interests and other matters referred to in this representation, and would submit that a member of the Association be specially co-opted by your Committee for the purpose.

Extract from the Report of the Bombay Provincial Delimitation Committee.

COMMERCE AND INDUSTRY CONSTITUENCIES.

30. We have considered carefully the question of the allocation of the 7 seats allotted to Commerce and Industry constituencies in the Bombay Presidency. As the subject was an important one, we co-opted Sir Purshotamdas Thakurdas as a member of our Committee to represent the interests of Indian Commerce, and Sir John Abercrombie, to represent the interests of European Commerce, and we have derived much help in our deliberations from the information which these two gentlemen were able to place at our disposal.

In the present Council of 114 members, 7 elected seats have been assigned to Commerce and Industry constituencies and have been distributed as follows :—

Bombay Chamber of Commerce	..	..	..	..	..	..	2 seats.
Karachi Chamber of Commerce	..	..	..	..	..	..	1 seat.
The Bombay Trades Association	..	..	..	..	..	..	1 seat.
The Bombay Millowners' Association	..	..	..	..	..	..	1 seat.
The Ahmedabad Millowners' Association	..	..	..	..	..	..	1 seat.
The Indian Merchants' Chamber and Bureau	..	..	..	..	..	..	1 seat.

In addition to these 7 elected seats, one seat, filled by nomination, is reserved for a representative of the Cotton Trade. The Indian Franchise Committee, dealing with the question of the representation of Commerce and Industry said (Report of the Indian Franchise Committee, Volume I, page 128) that, while they favoured the continued representation of commerce and industry in the legislatures, they were impressed by the criticism that such special interests should not form a block of such a size or such a character as seriously to affect the balance of parties formed by representatives of territorial constituencies and so of the general mass of the population, and that their object was essentially to make expert knowledge available in the legislatures and not to give any particular voting strength to individual interests. They, therefore, recommended the retention of the seats at present allotted to commerce, industry and trade in the provincial legislatures without any proportionate increase in their number consequent on such increase in the size of the legislatures as may ultimately be approved. Dealing with the claims for special representation advanced by organizations representing trade and commerce in various provinces other than those already represented, they said :—

“ The commercial and industrial organizations now recognized for the purpose of representation in the legislatures are in our view fully capable of representing the interests of industry and commerce as such. We do not, in these circumstances, recommend any increase in the number of the existing constituencies. But we think that the desirability of some rearrangement or redistribution of those constituencies should be further examined at the stage of the delimitation of constituencies generally.”

Dealing with the case of the Bombay Presidency, they said that they were on the whole disposed to accept the view of the Provincial Franchise Committee, that the nominated seat at present reserved for the cotton trade should be retained, but on an elective basis, and disagreed with the view of the Government of Bombay that this seat should be abolished. We have kept these recommendations in mind in making our proposals.

31. In the table of seats appended to the Communal Award, 7 seats are allotted to the Bombay Presidency (without Sind), and in Note “ A ” to this table it is stated that the composition of the bodies through which election to these seats will be conducted, though, in most cases either predominantly European or predominantly Indian, will not be

statutorily fixed. It is, accordingly, not possible in each province to state with certainty how many Europeans and Indians respectively, will be returned. It is, however, expected that initially the numbers will be approximately as follows :—

Bombay (without Sind) } 4 Europeans.
 } 3 Indians.

32. The final proposals of the Commissioners are that the existing Commerce and Industry constituencies and the seats allotted to them should be maintained, and that the seventh seat should be allotted to the East India Cotton Association, Limited, which would represent the interests of the cotton trade.

33. On behalf of European Commerce, Sir John Abercrombie contended that Europeans should have the same number of representatives in the future Assembly as they have in the present Council and that, considering the substantial increase in seats given to other communities, this claim could not be considered as excessive. In the existing Council he claimed that the Europeans had seven representatives, viz., two for the Bombay City and Presidency European constituencies, two for the Bombay Chamber of Commerce, one for the Karachi Chamber of Commerce, one for the Bombay Trades Association, and one member nominated to represent the cotton trade, who for the last five years was a European. He therefore claimed that four Commerce seats should be allotted to European commerce, three being allotted to the Bombay Chamber of Commerce and one to the Presidency Trades Association, so that with the three European communal seats the Europeans would have seven representatives in the Legislative Assembly. He stated that, if three seats were allotted to the Bombay Chamber of Commerce, the Chamber would be prepared to earmark one of these seats for the representation of the cotton trade. Sir Purshotamdas Thakurdas, who represented the claims of Indian commerce generally, and of the East India Cotton Association in particular, claimed that the extra seat which was now available for allocation should be allotted to the East India Cotton Association, which was the only authoritative body representing the interests of the cotton trade.

34. We considered also the claims put forward by various commercial bodies, other than those which at present enjoy representation, to either a separate seat or to inclusion in one of the existing Commerce constituencies. We have received representations in this connection from the Shroffs Association, the Maharashtra Chamber of Commerce, the Bullion Exchange, the Marwari Chamber of Commerce, the Karnatak Chamber of Commerce, and the Poona Vyapari Sangha (the Poona Merchants' Association).

35. In our opinion none of these associations is of sufficient importance to be entitled to representation in a Commerce constituency, either singly or combined with others. If special representation is to be given to Commerce, it is in our opinion essential that the associations which form these constituencies should be well established and of such standing and importance that they could be relied upon to send to the Assembly as their representatives men of outstanding ability and experience, whose expert knowledge would be of help to the legislature. None of the associations from whom representations have been received by us is in our opinion better entitled to represent Indian commerce than those which form the existing constituencies, and the continuance of which the Commissioners have recommended. We considered also whether it would not be possible to combine with the existing associations some of those which have now applied for representation, but came to the conclusion that this was neither desirable nor necessary. The two Millowners' Associations which enjoy seats at present represent adequately and efficiently the interests of the mill industry in the two principal centres of that industry in the Presidency, while the Indian Merchants' Chamber is in our opinion thoroughly representative of the interests of Indian commerce generally and is best fitted to represent those interests in the provincial legislature.

36. We realise the anxiety of European commercial interests that Europeans in the future provincial legislature should have at least as many seats as they enjoy at present, and also the justice of their contention that, while Indian commercial interests will be able to secure representation to a considerable extent through the territorial seats also, the

Europeans will not be able to increase their representation in any manner. We feel however that, in view of the importance of the cotton trade, an importance which has been already recognized by the provision for a nominated representative of that trade in the existing legislature, and in view of the opinion expressed by the Indian Franchise Committee that an elective seat should be provided for representation of the cotton trade, it is necessary that a separate constituency should be formed to represent that trade. If an extra seat is allotted to the Bombay Chamber of Commerce, to be earmarked for the cotton trade, the representative of the cotton trade so elected will represent only a small section of those concerned in that trade, whereas the East India Cotton Association, which is statutorily entrusted with the duty of controlling the cotton trade, will represent the interests of all persons concerned in the trade, both growers and dealers, Europeans as well as Indians. We have for these reasons come to the conclusion that the East India Cotton Association has the best claim to represent the cotton trade.

37. We, therefore, agree with the proposals made by the Commissioners that the 7 seats allotted to Commerce and Industry in the Legislative Assembly should be distributed as follows :—

Bombay Chamber of Commerce	..	..	..	..	..	..	2 seats.
Bombay Trades Association	..	..	..	..	..	..	1 seat.
Bombay Millowners' Association	..	..	..	..	..	..	1 seat.
The Ahmedabad Millowners' Association	..	..	..	..	..	..	1 seat.
The Indian Merchants' Chamber and Bureau	..	..	..	..	..	..	1 seat.
The East India Cotton Association	..	..	..	..	..	..	1 seat.

38. There is a difficulty in connection with the electoral rules dealing with the Commerce and Industry constituencies to which our attention has been drawn by the Bombay Chamber of Commerce, and the Bombay Millowners' Association. Rule 7 of Schedule II, of the present Electoral Rules provides that a person shall be qualified as an elector for a Commerce and Industry constituency whose name is entered in the list of members for the time being in force of the Association forming such constituency, or who is entitled to exercise the rights and privileges of membership on behalf of and in the name of any firm or company or corporation entered in such list of members. The result of the rule is that, when the senior partner of a firm is unable, owing to absence or other cause, to vote or stand for election, the firm loses its vote or right to put up a candidate, as another partner cannot be brought on the roll unless the elaborate procedure prescribed in the electoral rules for amendment of the electoral roll is resorted to, and such procedure invariably means delay. The result frequently is that, when an election takes place suddenly, many firms are unable to exercise their rights, owing to the absence of the member whose name is entered as entitled to exercise the rights and privileges on behalf of the firm. The Indian Franchise Committee drew attention to this grievance in paragraph 225 of their Report (Volume I, page 129,) and expressed the opinion that the point was one which merited consideration. We would suggest that the new electoral rules should remove this difficulty by providing that, in the case of a Commerce and Industry constituency, if the person registered on the electoral roll for the time being in force of the constituency is a firm, company or corporation, any person who on the date on which the roll is taken is entitled to exercise the rights and privileges of membership on behalf of and in the name of such firm, company or corporation shall be entitled to vote at an election of a member or members for the constituency.

Press Note, dated the 15th August 1935, containing the views of the Government of Bombay on the Recommendations of the Bombay Provincial Delimitation Committee.

In the concluding paragraph of the Press Note, dated the 5th August 1935, on the Report of the Bombay Provincial Delimitation Committee it was stated that the Report was under the consideration of the Government of Bombay and that their views on the recommendations contained therein would be published shortly. Government have since considered the Committee's recommendations and their views on them are briefly stated below. It may be made clear at once that these views are provisional and are subject to

revision after Government have considered the views of the public which have been invited in the Press Note dated the 5th August 1935 and of the members of the Legislative Council before whom the Committee's Report will be placed for discussion at the session to be held in September-October 1935.

The provisional decisions of Government on the various recommendations of the Committee are as follows :—

Provincial Legislative Assembly.

(1) *Principles of Delimitation.*—Government agree with the Committee for the reasons stated by it.

(2) *Distribution of General Seats.*—Government accept the distribution of General Seats recommended by the Committee. They also agree with the Committee that, having regard to the conditions in this Presidency, it is undesirable to sub-divide districts into several small constituencies. Theoretically there is much to be said in favour of single member constituencies, but, having regard to the actual conditions in this Presidency, Government, as at present advised, are inclined to think that plural-member constituencies would be more suitable. The two-Party system is not yet established in this country and voting takes place largely on personal or communal considerations. Small sections of the population can, therefore, have practically no chance of returning a representative of their choice unless more than one seat is allotted to a constituency. Even large and important sections of the population for whom special representation has not been provided might go unrepresented if a district is sub-divided into several small electoral areas and their strength is distributed. Indeed, a legislature returned by constituencies so sub-divided might, with a large number of candidates, easily be unrepresentative of the wishes of the majority of the electors. Also, with single-member constituencies candidates with a merely parochial outlook and of relatively inferior type are likely to be returned and though it is possible to some extent to provide against this danger by dispensing with the requirement that a candidate should actually reside within his constituency it is very doubtful whether, in actual practice, electors would generally favour outsiders as their representatives.

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| <ul style="list-style-type: none"> (3) <i>Distribution of Maratha reserved seats.</i> (4) <i>Reserved seats for Scheduled Castes.</i> (5) <i>Backward Tribes seat.</i> (6) <i>Women's seats.</i> (7) <i>Muhammadan representation.</i> (8) <i>European constituencies.</i> (9) <i>Anglo-Indian constituencies.</i> (10) <i>Indian Christian constituencies.</i> | } Government accept the Committee's recommendations. |
|---|--|

(11) *Commerce and Industry constituencies.*—Government accept the Committee's recommendation provided it is not considered to infringe the provisions of the Communal Award of His Majesty's Government.

(12) *Landholders' constituencies.*—Government accept the Committee's recommendations.

(13) *University constituency.*—Government are of the opinion that the existing franchise qualification (i.e., being a member of the Senate or an Honorary Fellow of the University or a Graduate of the University of *seven years'* standing) should be retained.

As regards the method of voting, Government agree with the Committee that the present method of voting should be continued.

(14) *Representation of Labour.*—Decisions of Government are postponed pending further investigation of the Committee's recommendations.

Provincial Legislative Council.

(1) *General constituencies.*—Decision of Government is postponed pending further examination of the Committee's recommendations in the light of the franchise qualifications.

(2) *Muhammadan and European constituencies.*—The Committee's recommendations are accepted.

APPENDIX 22.

COTTON GINNING AND PRESSING FACTORIES BILL.

Copy of letter No. 5956-A/28 dated the 26th October 1935, from the Secretary to the Government of Bombay, Revenue Department, to the Association.

Subject :—COTTON GINNING AND PRESSING FACTORIES (BOMBAY AMENDMENT) BILL, 1935.

I am directed by the Government of Bombay (Transferred Departments) to forward two copies* of a Bill to amend the Cotton Ginning and Pressing Factories Act, 1925, in its application to the Bombay Presidency, and of amendments thereto and to request that they may be favoured with the opinion of your Association thereon by 10th November 1935 at the latest.

Copy of letter No. 2819/207, dated the 5th November 1935, from the Association to the Secretary to the Government of Bombay, Revenue Department, Bombay.

Subject :—COTTON GINNING AND PRESSING FACTORIES (BOMBAY AMENDMENT) BILL, 1935.

I am directed to acknowledge the receipt of your letter No. 5956-A/28 dated the 26th October 1935, and accompaniments.

This Association, as Government are aware, has repeatedly advocated the introduction of legislation to provide for the compulsory licensing of gins and presses. Such a step, my Committee have always maintained, would not only enable manufacturers in India to obtain pure cotton but would also be beneficial from the point of view of the agriculturist and would further enhance the reputation of Indian cotton abroad. The licensing clause, it will be remembered, was deleted by the Government of India from the Cotton Ginning and Pressing Factories Bill as originally framed in order not to jeopardise the success of the Bill in the Legislative Assembly. My Committee are glad to note that the Government of India have now accorded sanction to the Local Government to give statutory effect to the system of licensing of gins and presses in their own Province. The malpractices which obtain in the trade are not peculiar to this Presidency alone and my Committee feel sure that the example set up by the Governments of Bombay and the Central Provinces in this connection will be followed by Governments of other Provinces also.

The principle underlying the Bill has the support of this Association, and we do not propose to go into the various clauses or the amendments proposed as these can be dealt with by Mr. S. D. Saklatvala, our representative in the Bombay Council.

* Not printed.

*Extracts from the Bombay Legislative Council Debates, dated 21st November
1935—Vol. XLIII, Part XXXVI—Mr. S. D. Saklatvala's Speech
on the Bill to amend the Cotton Ginning and Pressing Factories Act,
1925, in its application to the Presidency of Bombay.*

MR. S. D. SAKLATVALA : Sir, I rise not only to support this Bill at its first reading, but also to congratulate Government on being early in bringing such a Bill before this House. As the Honourable Mover pointed out, the only other province in British India to act similarly is the Central Provinces which, as you know, is an important cotton-growing province. The Bombay Presidency, Sir, is the premier presidency as far as cotton is concerned, whether in its agricultural, commercial or manufacturing aspect. Any piece of legislation, therefore, which serves to enhance the reputation and, consequently, the value of cotton to the grower should be welcomed and heartily welcomed by this House. Those engaged in the cotton trade and also many others who are not directly concerned with cotton are well aware that certain malpractices have crept in in this trade just as in any other trade. Middlemen, merchants and factory owners have their eyes on immediate profit. It is forgotten that malpractices such as adulteration or watering of a cotton ultimately reacts against the reputation of that particular variety of cotton and serves to bring down the price of that cotton in the end. When that happens, it is ultimately the grower who suffers most. What happens when I buy for my mills cotton which I find has been unduly watered? Not only do I pay the price of cotton for the weight of water, but after that cotton remains for a reasonably long time within the mill premises it turns yellowish in colour and the yarn I turn out from such cotton ultimately suffers and puts me to much loss. I might buy such cotton once or twice, but I will not touch that cotton again, and the particular district from which such cotton comes will ultimately suffer. Similarly, when I buy cotton for a particular count of yarn and judge it to the best of my ability, and later on I find that the cotton has been mixed with shorter staple, it does not serve my purpose, but has got to be put to a use different from that for which it was intended. As I said before, I might buy such cotton once, twice or thrice, but in the end I will not touch the cotton from the district from which that cotton came. Such malpractices, Sir, can only be checked by legislation. As my honourable friend the Chief Agricultural Officer for Sind (Mr. Jenkins) is well aware, we debated this question and discussed this problem for at least 12 years in the Central Cotton Committee. As a business man, I am naturally averse to Government interference where trade is concerned. But, Sir, in this case, the Central Cotton Committee considered this question from this as well as from every other point of view and ultimately came to the decision that nothing short of legislation can ever prevent such malpractices. The McKenna Committee in 1919 had already suggested similar action. We were—I am now speaking as a member of the Central Cotton Committee—first inclined not to ask for legislation but to allow trade to overcome the trade's difficulties. But we found that malpractices, instead of decreasing, were increasing, and as I said, we have come to the conclusion that legislation alone can check this evil.

Sir, not only do I congratulate Government on having brought forward this Bill, the principle of which is certainly unexceptionable, but I also congratulate them on the manner in which this Bill is drafted. In a matter like this, it is very easy to make the provisions unnecessarily harsh and to hinder trade, or on the other hand, to make them perfectly innocuous and to render the Bill practically useless. In my view, Sir, this Bill escapes from both these extremes and well serves the purpose for which it is intended. It proceeds with caution, as it ought to. As was pointed out by the Honourable Mover the intention is first to make it applicable to a particular area in Sind, the Barrage area, which is eminently suited for this kind of legislation. Later on, with greater experience, I am sure that the trade itself will demand that it be applied to other parts of the Presidency. At present, I think it would really be unfair to Government themselves to try to make it applicable to various other parts of the Presidency, because after all, it is a new legislation, and, I am afraid, Government will scarcely be able to cope with such a piece of legislation if from the very beginning it is applied to various parts where cotton is grown.

Sir, with these words, I support the first reading of the Bill.

BILL NO. XLV OF 1935.

(A Bill to amend the Cotton Ginning and Pressing Factories Act, 1925, in its application to the Presidency of Bombay.)

REPORT OF THE SELECT COMMITTEE.

The following report of the Select Committee of the Legislative Council of His Excellency the Governor of Bombay on the Bill to amend the Cotton Ginning and Pressing Factories Act, 1925, in its application to the Presidency of Bombay, and the Bill as amended by the Select Committee, are, in accordance with Standing Order VIII, 7 (4) of the Bombay Legislative Council, published for general information :—

We, the members of the Select Committee, appointed to consider Bill No. XLV of 1935 (A Bill to amend the Cotton Ginning and Pressing Factories Act, 1925, in its application to the Presidency of Bombay), have the honour to report as follows :—

We have found it necessary to make some changes in the Bill. The reasons for the principal changes are given below, against the clauses in which they occur.

Clause 2.—We have slightly altered the definition of “admixture of cotton” and have defined it as “prescribed mixture of different varieties of cotton.”

As the word “season” has been used in more than one clause of the Bill, we have considered it necessary to add a new sub-clause defining this word.

Clause 3.—In our opinion, it might cause great hardship if the licence granted to a cotton ginning or a cotton pressing factory owner is cancelled in the midst of the working season. We have, therefore, redrafted, sub-section (2) of new section 2-A, and have added a proviso to it that no licence shall be suspended, withdrawn or cancelled until after the expiration of the season in which the owner has been convicted.

We feel that the punishment originally provided for working a ginning or a pressing factory without a licence is inadequate, especially in the case of large factory owners who by working their factories might make larger profits than the amount of fines which they would have to pay. We, therefore, consider it necessary that such persons should be made liable to pay fine for every day for which they work their factories without a licence.

We have, therefore, redrafted sub-section (3), and have provided penalties, not only separately for the first and subsequent convictions, but, in the case of every conviction, for each day (subsequent to the first) on which the offender persists in the offence.

Clause 4.—This is a new clause imposing on the owner of every cotton pressing factory the obligation to show, in the press register kept by him under sub-section (2) of section 3 of the Cotton Ginning and Pressing Factories Act, 1925, particulars of the cotton ginning factory where the cotton has been ginned.

Clause 5.—We have redrafted sub-section (3) of new section 3-A. Sub-section (1) has in consequence become unnecessary and has been deleted.

The maximum punishment originally provided for committing any of the malpractices mentioned in the section was a fine of Rs. 1,500. In our opinion, this is inadequate, and we are of opinion that the maximum fine should be Rs. 5,000. The clause has been amended accordingly.

Clause 6.—Under this clause, the owner of every cotton ginning factory has to submit returns showing the quantity of cotton ginned in the factory during the specified period. The clause originally provided that these returns should be submitted weekly. For the convenience of factory owners, we have provided for these returns being submitted monthly.

We have also added a new sub-clause providing that the Local Government shall compile a statement from the returns submitted to it about the quantity of cotton ginned in the province during each month and shall publish such statement. We have, however, added a proviso that the quantity of cotton ginned in any individual factory shall not be published.

As we have defined the word "season" in clause 2, we have omitted the explanation from this clause.

Clause 9.—Under section 11 of the Cotton Ginning and Pressing Factories Act, 1925, the offences punishable under this Bill are triable by a Presidency Magistrate or a First Class Magistrate. Under the Criminal Procedure Code, however, a Presidency Magistrate or a First Class Magistrate cannot impose a fine of more than Rs. 1,000. As we have increased the limit of fine from Rs. 1,500 to Rs. 5,000 in the proposed new section 3-A in clause 5, we have added this new clause providing that, notwithstanding anything contained in the Criminal Procedure Code, a Presidency Magistrate or a Magistrate of the First Class may inflict any sentence provided for any offence punishable under this Act.

Clause 10.—We have added two new sub-clauses to this clause, giving power to Government to make rules prescribing what shall constitute "a season" and what shall constitute "admixture of cotton."

We have also added a new sub-clause providing that the rules made by Government under this clause shall be laid on the Council Table for a period of one month and shall be liable to be rescinded, altered or modified by a resolution of the Council. To this we have added the usual proviso giving power to Government to reject any modification or rescission of a rule made by the Council if, in their opinion, such modification or rescission is likely to defeat or frustrate any of the purposes of the Act.

Clause 11.—The proposed new section 17, as originally drafted, gave power to the Local Government to authorize any officer to compound offences punishable under the Act. In our opinion, it is necessary that this power should be exercised by a very responsible officer. We have, therefore, amended this section, making this power exercisable by the District Magistrate alone.

We recommend that this Report, with the minutes of dissent, if any, and the Bill as amended, be translated and published in Marathi, Gujarati, Kanarese and Urdu in the *Bombay Government Gazette* and in Sindhi in the *Sind Official Gazette*.

- (*Sd.*) R. D. BELL.
 (,,) J. A. MADAN.
 (,,) K. C. SEN. ☉
 (,,) C. P. BRAMBLE.
 (,,) MAHOMED SULEMAN CASSUM MITHA.
 (,,) J. R. ABERCROMBIE.
 (,,) LAKHIMIDAS ROWJEE TAIRSEE (*subject to a minute of dissent*).
 (,,) J. HUMPHREY.
 (,,) S. D. SAKLATVALA.
 (,,) M. A. BIRADAR SAVNUR.
 (,,) HARIDAS MADHAVDAS.
 (,,) BHASANEH, THAKOR OF KERWADA.
 (,,) B. R. NAIK.
 (,,) SAKARLAL BALABHAI.
 (,,) W. J. JENKINS.
 (,,) M. H. GAZDER.
 (,,) S. S. TOLANI (*Subject to a minute of dissent*).
 (,,) M. A. KHUHHRO (*Subject to a minute of dissent*).
 (,,) D. R. PATIL.

(Minute of Dissent by Mr. L. R. Tairsee, M.L.C.)

I sign the report of the Select Committee subject to stating that the maximum punishment *originally* provided under clause 5 for committing any of the malpractices mentioned in the section, viz., Rs. 1,500, was adequate. The clause as amended appears to me "vindictive."

21st January 1936.

(Sd.) LAKHMIDAS ROWJEE TAIRSEE.

(Minute of dissent by Mr. S. S. Tolani, M.L.C.)

I regret I have to differ from the majority of my colleagues inasmuch as the fine of Rs. 5,000 (five thousand) prescribed under clauses 3 and 4 and subsequent fine for daily breach of Rs. 200 under clause 3 is very excessive. Such a deterrent punishment under this Act is both unfair and inequitable. The fine of Rs. 1,500 laid down in the original Bill was rather more than should have been suggested.

LARKANA (SIND), 1st February 1936.

(Signed) S. S. TOLANI.

(Minute of dissent by Khan Bahadur M. A. Khuhro, M.L.C.)

I am of opinion that the fine proposed to be levied to the extent of Rs. 5,000 is excessive. As the Act is to be newly tried and experimented in Sind Province, it is more advisable to provide less stringent and less rigorous punishment at least in the first few years and therefore I would suggest that the original figure of Rs. 1,500 be retained.

(Sd.) M. A. KHUHRO.

BILL No. XLV of 1935.

A Bill to amend the Cotton Ginning and Pressing Factories Act, 1925, in its application to the Presidency of Bombay.

(As amended by the Select Committee.)

(Note.—Deletions made by the Select Committee are shown in square brackets.)

Whereas it is expedient to amend the Cotton Ginning and Pressing Factories Act, 1925, in its application to the Presidency of Bombay for the purposes hereinafter appearing; And whereas the previous sanction of the Governor-General required under sub-section (3) of section 80A and the previous sanction of the Governor required under section 80C of the Government of India Act have been obtained for the passing of this Act; It is hereby enacted as follows :—

1. *Short title, extent and commencement.*—(1) This Act may be called the Cotton Ginning and Pressing Factories (Bombay Amendment) Act, 1935.

(2) This Act shall extend in the first instance to the Province of Sind or such area in the said Province with effect from such date as the Local Government may by notification in the [*Bombay Government*] *local official Gazette* appoint. The Local Government may by notification in the [*Bombay Government*] *local official Gazette* extend the provisions of this Act to any other area with effect from such date as the Local Government may appoint in the said notification.

2. *Amendment of section 2 of Act XII of 1925.*—In section 2 of the Cotton Ginning and Pressing Factories Act, 1925, hereinafter called the said Act,—

(1) after the word, comma and dash "context,—" the following shall be inserted, namely :—

"(aa) ' admixture of cotton ' means a *prescribed* mixture of different varieties of cotton ;" and

(2) after clause (f) the following clause shall be inserted, namely :—

“(ff) ‘licence’ means a licence granted under section 2A.”

(3) after clause (h) the following clause shall be inserted, namely :—

“(i) ‘Season’ means such period as may from time to time be prescribed.”

3. *Insertion of section 2A in Act XII of 1925.*—After section 2 of the said Act, the following section shall be inserted, namely :—

“2A. *Licence for working cotton ginning factory or cotton pressing factory.*—(1) No cotton ginning factory or cotton pressing factory shall be worked without a licence granted to the owner thereof by such authority, in such form, subject to such conditions and on payment of such fee, as may be prescribed.

(2) (a) *A licence for which the prescribed fee has been paid shall be liable to be refused only on the ground that the owner or person in charge of a cotton ginning or cotton pressing factory in respect of which a licence is applied for has been convicted of an offence punishable under this Act.*

(b) *A licence shall be liable to be suspended, withdrawn or cancelled only on the ground that the owner or person in charge of the cotton ginning or cotton pressing factory in respect of which a licence was granted has been convicted of an offence punishable under this Act :—*

Provided that no licence shall be suspended, withdrawn or cancelled under this clause until after the expiration of the season in which the said owner or person has been so convicted.

(3) *If any person works a cotton ginning or cotton pressing factory in respect of which a licence has not been granted or has been suspended, withdrawn or cancelled, such person shall be punishable :—*

(a) *on a first conviction, with fine which may extend to five hundred rupees and, if the offence has continued for more than one day, with an additional fine which may extend to one hundred rupees for every day subsequent to the first day during which the offence has continued ; and*

(b) *on every subsequent conviction, with fine which may extend to fifteen hundred rupees and, if the offence has continued for more than one day, with an additional fine which may extend to two hundred rupees for every day subsequent to the first day during which the offence has continued.*

[(2) No licence for which the prescribed fee has been paid shall be refused except on the ground that the owner or person in charge of a cotton ginning or pressing factory in respect of which the licence is applied for has been convicted of an offence punishable under this Act and no licence shall be suspended, withdrawn or cancelled unless the owner or person in charge of the cotton ginning or cotton pressing factory in respect of which the licence was granted has been convicted for an offence punishable under this Act.]

[(3) If any person works a cotton ginning or cotton pressing factory in respect of which a licence has not been granted or has been suspended, withdrawn or cancelled, such person shall, on conviction, be punishable with fine which may extend to five hundred rupees or, if he has been previously convicted of any offence under this sub-section, to fifteen hundred rupees.”]

4. *Amendment of section 3 of Act XII of 1925.*—In sub-section (2) of section 3 of the said Act :—

(1) the word ‘and’ shall be omitted, and

(2) the following words shall be added at the end :—

“ and particulars of the cotton ginning factory where it has been ginned.”

5 [4]. *Insertion of new sections 3A, 3B and 3C in Act XII of 1925.*—After section 3 of the said Act, the following new sections shall be inserted, namely :—

“ 3A. *Prohibition against watering, etc., of cotton.*—[(1) No cotton which is ginned or pressed in a cotton ginning or cotton pressing factory shall—

- (a) be watered,
- (b) contain any seed in excess of the prescribed proportion, or
- (c) contain any foreign substance.]

(1) [(2)] The Local Government may [also] by notification in the [Bombay Government] local official Gazette declare that in any area specified in such notification and to which this Act has been extended, no cotton which is ginned or pressed in a cotton ginning or cotton pressing factory shall contain any admixture of cotton.

[(3) Any owner of a cotton ginning or cotton pressing factory or any person in charge of such a factory :—

- (a) who knowing or having reason to believe that any cotton is watered, or contains seed or any foreign substance in contravention of sub-section (1), gins or presses or allows such cotton to be ginned or pressed in his factory, or
- (b) who, in any area specified in the notification under sub-section (2) gins or presses or allows to be ginned or pressed any cotton which he knows or has reason to believe to contain an admixture of cotton,

shall, on conviction, be punishable with fine which may extend to fifteen hundred rupees.]

[(4) Any owner of cotton who knowingly contravenes any of the provisions of sub-section (1) or (2) in respect of such cotton, or abets, or knowingly allows or connives at, such contravention shall, on conviction, be punishable with fine which may extend to fifteen hundred rupees.]

(2) *Any owner of a cotton ginning or cotton pressing factory or any person in charge of such factory :—*

- (a) *who knowing or having reason to believe that any cotton is watered or contains seed in excess of the prescribed proportion or contains any foreign substance, gins or presses or allows such cotton to be ginned or pressed in such factory or*
- (b) *who in any area specified in the notification under sub-section (1) gins or presses or allows to be ginned or pressed any cotton which he knows or has reason to believe to contain an admixture of cotton*

shall, on conviction, be punishable with fine which may extend to five thousand rupees.

(3) *Any owner of cotton who knowingly waters any cotton which is ginned and which is being, or is intended to be, pressed in a cotton pressing factory, or mixes seed or foreign substance with such cotton, or in any area specified in sub-section (1) makes any admixture of cotton or abets or knowingly allows or connives at any such watering, mixing or admixture of cotton shall, on conviction, be punishable with fine which may extend to five thousand rupees.*

Explanation.—For the purposes of this section, cotton shall not be deemed to be watered, unless such cotton contains moisture in excess of the normal quantity. The normal quantity of moisture in any given quantity of cotton is the amount of moisture that suc

cotton is reasonably expected to have, regard being had to the place or places at or to which, and the time or times of the year in which, such cotton has been picked, collected, stored, conveyed, left, ginned or pressed. A certificate given by the prescribed authority as to the normal quantity of moisture that a given quantity of such cotton should have and the quantity of moisture that it possesses shall be evidence of such matters, until the contrary is proved; and if the latter quantity exceeds the former it shall be evidence, until the contrary is proved, that the cotton is watered.

3B. *Examination of cotton, packages or bales.*—(1) The Local Government or any gazetted officer authorized by it in this behalf may on its or his own motion or on receipt of a complaint that there has been a contravention of the provisions of section 3A in respect of any cotton, package or of any bale and in the case of a complaint, on payment of the prescribed fee by the complainant, cause such cotton or the contents of such package or bale to be examined by the prescribed person or body.

(2) A certificate given by such person after examination of the contents of any bale under sub-section (1), shall be admissible in evidence and be presumptive proof of the facts mentioned therein until the contrary is proved.

3C. *Entry and inspection.*—(1) The Local Government may authorize any gazetted officer to enter into and inspect, at any reasonable time, any cotton ginning or cotton pressing factory for the purpose of ascertaining whether there is any contravention therein of any of the provisions of this Act or of any rule made thereunder or of any of the conditions subject to which a licence has been granted in respect of such factory and to seize all things in respect of which an offence punishable under this Act appears to have been committed.

(2) The owner or the person in charge of every cotton ginning or cotton pressing factory shall give every reasonable assistance to the inspecting officer in the performance of his duties under sub-section (1).

(3) The owner or the person in charge of such factory shall, in every instance, be permitted to attend during the inspection and the things seized during such inspection shall be sealed in the prescribed manner."

6 [5]. *Amendment of section 5 of Act XII of 1925.*—For section 5 of the said Act, the following section shall be substituted, namely :—

"5. *Returns.*—(1) The owner of every cotton ginning factory shall submit to the prescribed authority, within such time and in such form, as may be prescribed [weekly] *monthly* returns showing the quantity of cotton ginned in the factory during the preceding [week] *month* and from the commencement of the season to the end of that [week] *month*.

(2) *The Local Government shall compile from the monthly returns submitted under sub-section (1), and shall publish in such manner as the Governor-General in Council may direct, a statement showing the total quantity of cotton ginned in the province during the month and from the commencement of the season to the end of the month to which the returns relate :*

Provided that the quantity of cotton ginned in any individual factory shall not be published.

(3) [2] The owner of every cotton pressing factory shall submit to the prescribed authority, within such time and in such form, as may be prescribed, weekly returns showing the total number of bales of cotton pressed during the preceding week and from the commencement of the season to the end of that week, and the approximate average net weight of the bales pressed in that week.

(4) [3] The Local Government shall compile from the weekly returns submitted under sub-section 3 [(2)], and shall publish in such manner as the Governor-General in Council may direct, a statement showing the total number of bales pressed in the province during the week and from the commencement of the season to the end of the week to which the returns relate.

Provided that the number of bales pressed in any individual factory shall not be published.

(5) [4] If default is made in submitting any return as required by sub-section (1) or sub-section 3 [(2)], the owner of the factory shall, on conviction, be punishable with fine which may extend to fifty rupees.

(6) [5] Where the owner of a cotton ginning or cotton pressing factory has notified to the prescribed authority that the work of ginning cotton or pressing bales in that factory has been suspended, it shall not be necessary for the owner to submit returns under sub-section (1) or sub-section 3 [(2)] until such work has been resumed.

[Explanation.—In this section ‘season’ means the period notified in this behalf by the Local Government in local official Gazette.”]

7 [6]. *Amendment of section 6 of Act XII of 1925.*—In section 6 of the said Act, after the words “other than” the words and figures “the standard weights and measures, weighing and measuring instruments authorized under the Bombay Weights and Measures Act, 1932, in districts or areas in which Parts II, III, V and VI of that Act are in force or elsewhere other than” shall be inserted.

8. [6A]. *Amendment of section 7 of Act XII of 1925.*—In sub-section (1) of section 7 of the said Act, after the words “for the purpose of sections” insert the figures and letters “3A, 3C.”

9. *Insertion of new section 11A in Act XII of 1925.*—After section 11 of the said Act the following new section shall be inserted, namely :—

“11A. *Power of Magistrate to pass sentence.*—Notwithstanding anything contained in section 32 of the Code of Criminal Procedure, 1898, a Presidency Magistrate or a Magistrate of the First Class may pass any sentence provided for any offence punishable under this Act and the provisions of the said Code shall be deemed to have been amended accordingly.”

10 [7]. *Amendment of section 13 of Act XII of 1925.*—(1) In section 13 of the said Act, after clause (a), the following clauses shall be inserted, namely :—

(aa) *What shall constitute an admixture of cotton ;*

(ab) *the period which shall from time to time constitute a season ;*

(ac [a]) *the authority by whom, the form in which, the conditions subject to which and the fees on payment of which, a licence may be granted under sub-section (1) of section 2-A ;*

(ad[b]) *the proportion of seed which may be contained in cotton ;*

(ae[c]) *the person authorized to give a certificate regarding the quantity of moisture contained in any cotton and other matters specified in section 3-A. ;*

(ef[d]) *the person authorized to examine bales under section 3-B ;*

(ag[e]) *the procedure for making a complaint and causing the contents of a bale to be examined and the fee for examination of the contents of a bale under sub-section (1) of section 3(B) ;*

(ah[f]) *the manner in which the things seized shall be sealed under section 3-C.”*

(2) *Section 13 of the said Act shall be renumbered as sub-section (1) of that section and after the sub-section so renumbered, the following sub-section shall be added, namely :—*

(2) *The rules to be made under sub-section (1) shall be subject to the condition of previous publication.*

(3) Rules made under sub-section (1) shall as soon as they are made be laid upon the table of the Bombay Legislative Council for a period of one month and shall be liable to be modified or rescinded by a resolution tabled at the session thereof immediately following the expiry of the said period : such rule shall, after notification in the local official Gazette, be deemed to have been modified or rescinded accordingly :

Provided that when, in the opinion of the Local Government, such modification or rescission is likely to defeat or frustrate any of the purposes of this Act, the local government may, by notification in the local official Gazette, declare that the modification or rescission shall have no effect and thereupon the rule shall remain in force as if it had not been modified or rescinded.

11 [8]. *Addition of sections 16 and 17 in Act XII of 1925.*—After section 15 of the said Act, the following sections shall be added, namely :—

“ 16. *Penalty.*—Whoever contravenes any of the provisions of this Act or any rule made thereunder or any of the conditions subject to which a licence has been granted to him shall, on conviction, if no other penalty is already provided in this Act for such contravention, be punishable with fine which may extend to five hundred rupees or, if he has previously been convicted of an offence under this Act or any rule made thereunder, with fine which may extend to fifteen hundred rupees.

17. *Compounding offences, etc.*—(1) The [officer authorized by the Local Government in this behalf] *District Magistrate* may accept from any person whose licence is liable to be suspended, withdrawn or cancelled under this Act, or who is reasonably suspected of having committed an offence under this Act, a sum of money in lieu of such suspension, withdrawal or cancellation or by way of composition for the offence which may have been committed, as the case may be.

(2) On payment by such person of such sum to [such officer] *the District Magistrate*, such person if in custody shall be set at liberty and if criminal proceedings shall have been instituted against such person, the composition shall be held to amount to an acquittal.”

12. [9]. *Amendment of sections 3, 4, 6, 7, 8 and 9 of Act XII of 1925.*—In sub-sections (5) and (6) of section 3, in sub-section (2) of section 4, in sub-section (2) of section 6, in sub-section (3) of section 7, in sub-section (2) of section 8, and in sub-section (3) of section 9 of the said Act for the words “ shall be punished ” the words “ shall, on conviction, be punishable ” shall be substituted.

STATEMENT OF OBJECTS AND REASONS AS PUBLISHED WITH THE ORIGINAL BILL
IN THE “BOMBAY GOVERNMENT GAZETTE”, PART V, DATED 12TH OCTOBER 1935.

The Cotton Ginning and Pressing Factories Act, 1925, was passed for the purpose of providing for the maintenance of registers by both kinds of factories and the submission of returns by the owners of pressing factories. These provisions serve statistical purposes but are not sufficient for the prevention of certain malpractices which are prevalent in ginning and pressing factories. Some of the malpractices which require to be stopped if the purity of improved grades of cotton is to be maintained and the cotton grower is to get an adequate price for superior cotton are :—(1) watering of cotton, (2) mixing of different varieties of cotton, (3) false packing. In consequence of these malpractices, the reputation of superior cottons has suffered considerably and it has been from time to time suggested to Government that they should take steps to check them. It has therefore been suggested that cotton ginning and pressing factories should be licensed and the ginning and pressing of cotton which has been watered or mixed should be prohibited. The object of this Bill is to give effect to this suggestion. As the area under improved varieties of cotton under the Lloyd Barrage is fast increasing, and as it is necessary to protect this area from the very beginning, it is proposed to extend the provisions of this Act only to Sind in the first instance.

NOTES ON CLAUSES.

Clause 1.—As stated above it is proposed to extend the Act to Sind or to a portion thereof in the first instance. Power is left to Government to extend it to other parts of the Presidency, if it is considered desirable to do so.

Clause 3.—This clause requires the owners of cotton ginning and pressing factories to take out licenses for working the factories. Failure to take out a licence is made punishable.

Clause 4.—This clause provides that no cotton shall be ginned or pressed, if it is watered, contains seed in excess of the prescribed quantity or contains any foreign substance. It is also proposed that in particular areas where it is desirable to prevent admixture altogether, Government should have the power to declare that no cotton which contains admixture shall be ginned or pressed in that area.

New section 3B proposed to be inserted provides for the examination of the packages or bales of cotton in order to ascertain whether it is watered, or contains any excess seed, foreign substance or contains admixture. New section 3C empowers a prescribed officer to enter any premises for such inspection.

Clause 5.—This clause amends section 5 of the principal Act and requires the owners of cotton ginning factories also to submit returns.

Clause 6.—This clause amends section 6 of the principal Act and makes it consistent with the Bombay Weights and Measures Act, 1932.

Clause 7.—This is a rule making clause.

Clause 8.—This clause provides for penalties for any contravention of any provisions of the Act or the rules thereunder, where no specific penalty has been provided for. The clause allows for the composition of offences.

1st October 1935.

R. D. BELL.

APPENDIX 23.

BOMBAY COTTON CONTROL BILL.

A Bill to provide for the prohibition of the cultivation of Goghari cotton and the mixing of such cotton with other cotton.

The following Bill is published under rule 18 of the Bombay Legislative Council Rules :—

BILL No. XLIV OF 1935.

A Bill to provide for the prohibition of the cultivation of Goghari cotton and the mixing of such cotton with other cotton and for the prohibition or restriction of the possession or use of, or trade in, Goghari cotton or cotton mixed with Goghari cotton.

Whereas it is expedient in the best interests of the growers of cotton in certain areas in the Presidency of Bombay, the cotton trade and the economic prosperity of the said Presidency to maintain the quality and reputation of the cotton grown in those areas and for that purpose to prohibit the cultivation of Goghari cotton and the mixing of such cotton with other cotton and to prohibit or restrict the possession or use of, or trade in, Goghari cotton or cotton mixed with Goghari cotton;

And whereas the previous sanction of the Governor-General required by sub-section (3) of section 80A of the Government of India Act and the previous sanction of the Governor required by section 80C of the said Act have been obtained for the passing of this Act; It is hereby enacted as follows :—

1. *Short title and extent.*—(1) This Act may be called the Bombay Cotton Control Act, 1935.

(2) It extends to the whole of the Presidency of Bombay.

2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context,—

- (a) " Cotton " includes cotton plant, ginned and unginned cotton, cotton waste and cotton seed ;
- (b) " Director of Agriculture " means the officer appointed for the time being to be the Director of Agriculture ;
- (c) " Goghari cotton " means the kind of cotton known as *Gossypium Herbaceum* (*Variety Goghari*) ; and
- (d) " Controlled area " means an area specified in a notification under section 3.

3. *Power to issue notification prohibiting the cultivation, etc., of Goghari cotton.*—The Local Government may, by notification in the *Bombay Government Gazette*, in such local area and for such period as may be specified in the notification—

- (a) prohibit the cultivation of Goghari cotton ; or
- (b) prohibit the mixing of Goghari cotton with any other cotton ; or
- (c) prohibit or restrict the possession or use of, or trade in, Goghari cotton or any other cotton mixed with Goghari cotton.

4. *Penalty.*—Any person, who, in contravention of the provisions of this Act or of any notification issued under section 3 or rule made under section 14—

- (a) cultivates or attempts to " cultivate Goghari cotton " shall, on conviction, be punishable with fine which may extend to rupees twenty for every first offence and to rupees fifty for every subsequent offence ;
- (b) (i) mixes or attempts to mix Goghari cotton with any other cotton, or
- (ii) possesses, uses or trades in, or attempts to possess, use or trade in, Goghari cotton or any other cotton mixed with Goghari cotton,

shall, on conviction, be punishable with fine which may extend to rupees five hundred for every first offence and to rupees one thousand for every subsequent offence.

5. *Confiscation.*—Whenever an offence under this Act has been committed, all cotton in respect of which the offence has been committed and every box, receptacle, package or covering in which such cotton is contained shall be liable to confiscation.

6. *Procedure in confiscation.*—(1) When in any case tried by a criminal Court, the Court decides that anything is liable to confiscation under section 5, he may, after hearing the person, if any, claiming any right thereto and the evidence, if any, which he produces in support of his claim, order confiscation.

(2) When an offence under this Act has been committed and the offender is not known or cannot be found, or when anything liable to confiscation under this Act is found and is not claimed by any person, the officer authorized by the Local Government in this behalf may hold an inquiry and may order confiscation:

Provided that no such order shall be made before the expiration of one month from the date of seizing the thing liable to confiscation or without hearing the person, if any claiming any right thereto and the evidence, if any, which he produces in support of his claim.

7. *Compounding.*—(1) The officer authorized under sub-section (2) of section 6 may accept from any person who is reasonably suspected of having committed an offence under section 4, a sum of money as may be prescribed by rules made under section 14 by way of composition for such offence.

(2) On payment of such sum, such person, if in custody, shall be set at liberty and if proceedings in any criminal court have been instituted against such person in respect of such offence, the composition shall be deemed to amount to an acquittal and no further proceedings shall be taken against such person in respect of such offence.

(3) Notwithstanding anything contained in sub-section (2), it shall be lawful for the court or the officer authorized under sub-section (2) of section 6 to order confiscation of anything liable to confiscation under section 5.

8. *Power of entry and seizure.*—(1) Any officer authorized in this behalf by the Local Government may between the hours of 6 a.m. and 6 p.m.—

- (a) enter upon any land in a controlled area in which he knows or has reason to believe that Goghari cotton has been or is being cultivated in contravention of a notification under section 3, uproot or cause to be uprooted such cotton, and seize the cotton so uprooted; or
- (b) enter upon or into any land, building, ship, vessel, vehicle or place in a controlled area in which he knows or has reason to believe that Goghari cotton or any other cotton mixed with Goghari cotton is kept in contravention of a notification under section 3, and seize such cotton.

(2) Every officer seizing any cotton under this section shall forthwith—

- (a) make a report of such seizure to any nearest Magistrate of the First or Second Class having jurisdiction to try the offence committed in respect of such cotton, specifying in such report the particulars of such cotton, and furnish a copy of such particulars to the occupier, or person in charge of the land, building, ship, vessel, vehicle or place on or in which such seizure was made; and
- (b) subject to rules made under section 14, forward such cotton to the nearest officer authorized by the Local Government to receive it, for examination and for report to the Director of Agriculture.

(3) The opinion of the officer authorized under sub-section (2) regarding such cotton recorded in any document signed by such officer shall be evidence as to the nature of such cotton in any inquiry, trial or proceeding under this Act.

9. *Duty of owner, occupier and person in charge to give facilities for inspection by authorized officer.*—(1) Every owner, occupier or person in charge, of any land, building, ship, vessel, vehicle or place shall give all reasonable facilities to the officer, authorized under sub-section (1) of section 8, to inspect such land, building, ship, vessel, vehicle or place.

(2) Any person who contravenes the provisions of sub-section (1), shall, on conviction, be punishable with fine which may extend to rupees twenty.

10. *Previous sanction and limitation for prosecution.*—No prosecution under this Act shall be instituted without the previous sanction of the Director of Agriculture.

11. *Cognizance of offences.*—No criminal court inferior to that of a Presidency Magistrate or a Magistrate of the Second Class shall try any offence under this Act.

12. *Protection for acts done under the Act.*—No suit, prosecution or other legal proceeding shall be instituted against any person for anything which is in good faith done or intended to be done under this Act.

13. *Officer acting under the Act to be public servant.*—Every officer acting or purporting to act in pursuance of the provisions of this Act shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

14. *Rules.*—(1) The Local Government may make rules not inconsistent with the provisions of this Act for the purpose of carrying into effect the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing provision, the local Government may make rules for all or any of the following purposes; namely :—

(a) to prescribe the sum of money to be paid by way of composition under section 7;

(b) to prescribe the conditions subject to which cotton seized may be forwarded under section 8 ;

(c) any other matter which is to be or may be prescribed.

(3) Any such rule may provide that a contravention thereof shall be punishable with fine which may extend to rupees fifty.

(4) The rules made under this section shall be subject to the condition of previous publication in the *Bombay Government Gazette*.

(5) Rules made under this section shall be laid upon the table of the Bombay Legislative Council at the session of the said Council next following and shall be liable to be modified or rescinded by a resolution of the said Council and such rule shall after notification of such resolution in the *Bombay Government Gazette* be deemed to have been modified or rescinded accordingly :

Provided that when in the opinion of the Governor in Council such modification or rescission is likely to defeat or frustrate any of the purposes of this Act, the Governor in Council may by notification in the *Bombay Government Gazette* declare that the modification or rescission shall have no effect and thereupon the rules shall remain in force as if they had not been modified or rescinded.

STATEMENT OF OBJECTS AND REASONS.

The protected areas south of the Nerbudda river and more particularly the "South Surat" protected zone grow one of the very best cottons of India known to the trade as "Navsari" cotton (1027 A.L.F.). This cotton is highly appreciated in India as well as in foreign countries (Lancashire) for the reputation of its long and fine staple. It is the policy of the Agricultural Department to cover the whole of the Surat Protected Area with 1027 A.L.F. cotton which by virtue of its superior qualities is much in demand and is therefore a profitable crop to the cultivators. Goghari cotton is a distinctly inferior type of cotton but owing to its high yield and higher ginning percentage over the 1027 A.L.F. cotton it is often mixed with the latter as the resultant mixture when sold in the name of pure 1027 A.L.F. cotton gives a better return to the seller. This, however, is due entirely to the high reputation of the 1027 A.L.F. variety of cotton which has been grown in the area for some years now, but should the spread of Goghari cotton in the Surat tract continue it will ruin the work of the Agricultural Department, jeopardise the reputation of the

1027 A.L.F. cotton and result in a big drop in price of the cotton. This fall in price will eventually react on the grower who will therefore be the chief sufferer in the long run. All the time, labour and money spent in the introduction and spread of 1027 A.L.F. cotton in this tract, the efforts made to maintain the purity of this cotton by the application of the Cotton Transport Act to this area, the large amount of money spent by the Indian Central Cotton Committee to increase the yield by research into the physiological and entomological aspects of the problem of cotton growing in this tract, would be wasted if adequate steps are not immediately taken to eradicate Goghari cotton from the tract. If Goghari cotton is allowed to spread in the tract at the rate at which it now does, growers of this area would soon reach the state of 1919 when over a lakh of bales of "Broach" cotton were rejected in Bombay as not having those qualities which cotton from this tract is supposed to have.

2. The application of the Cotton Transport Act in 1923 to this tract stopped the import of Goghari into Surat tract from the north of the Nerbudda river, but the seed of the Goghari cotton has continued to be imported. Existence of the Goghari cotton has been traced repeatedly in the same tract in the years 1919-20, 1926-27, 1931-32 and 1933-34 and in spite of very serious efforts to distribute large quantities of seed of 1027 A.L.F. at a great cost to Government and the Indian Central Cotton Committee and persuasion of the gin-owners to oust the Goghari cotton, this cotton has not only continued to exist in both pure as well as mixed state, but has expanded to a very serious extent. Goghari cotton formed 25 per cent. of the total cotton ginned in Navsari in 1933-34. A recent report shows that even during the season 1934-35 a high percentage of Goghari mixture has been observed in a number of new villages in Jalalpore Taluka in spite of very intensive campaign against Goghari in the previous season. These facts stress the urgent necessity for legislation for the prohibition of the growing and handling of the Goghari cotton in the Surat zone, south of the Nerbudda, in the interests of the grower.

3. The leading traders and growers have unanimously agreed to prohibitive action against the Goghari cotton in this tract and the present bill is drafted on the lines of the Madras Cotton Control Act of 1932.

4. The following notes on clauses explain the important provisions of the Bill.

NOTES ON CLAUSES.

Clause 2.—This is a definition clause.

Clause 3.—This clause gives power to Government to issue notification prohibiting the cultivation, adulteration, and possession of, and trade in, Goghari cotton, in certain specified areas.

Clause 4.—This clause provides for penalties for contravention of the provisions of the notification issued under clause 3, and rules made under clause 14.

Clauses 5 and 6.—These clauses empower the confiscation of cotton or any receptacles containing it in respect of which an offence has been committed under the Act.

Clause 7.—This clause enables the compounding of an offence punishable under clause 4. Such compounding does not, however, prevent the confiscation of cotton or other things liable to confiscation under clause 5.

Clause 8.—This clause gives power to officers, authorized by Government, to enter upon lands, buildings, etc., where such officers have reason to believe that provisions of the notifications are violated and to seize Goghari cotton whether pure or mixed.

Clause 9.—This clause requires persons in charge of lands, buildings, etc., to give all reasonable facilities to the authorized officers to enter, on pain of penalty of fine.

Clause 10.—This clause provides safeguards against prosecutions under the Act, it provides that every prosecution must be instituted only with the previous sanction of the Director of Agriculture.

Clause 11.—This clause provides that courts inferior to Presidency Magistrates or Magistrates of the Second Class shall not be competent to try offences under the Act.

Clause 12.—This clause provides that persons acting in good faith in pursuance of the provisions of this Act shall not be liable to any action.

Clause 14.—This clause empowers Government to make rules.

8th September 1935.

(Signed) S. T. KAMBLI.

Extracts from the Bombay Legislative Council Debates, dated 23rd November 1935, Vol. XLIII, Part XXXVIII—Mr. S. D. Saklatvala's speech on the Bill to provide for the prohibition of the cultivation of Goghari cotton and the mixing of such cotton with other cotton and for the prohibition or restriction of the possession or use of, or trade in, Goghari cotton or cotton mixed with Goghari cotton.

MR. S. D. SAKLATVALA : Sir, in rising to support the first reading of the Bill which has been introduced by the Honourable Minister for Agriculture, I do not think that I shall detain the House very long, because, in spite of what my honourable friend Mr. Gangoli, has said, yesterday's debate has definitely cleared the ground to a great extent for this Bill also. The Honourable Minister has clearly stated the reasons which have compelled him to bring forward this Bill and also told this honourable House as to what benefits are likely to accrue to the cultivators particularly if this Bill is passed.

This question naturally came before the Central Cotton Committee and there was at one time considerable doubt as to which seed was better from the point of view of the cultivators themselves. The Central Cotton Committee proceeded very cautiously and very slowly and it was not till they were convinced of the superiority of 1027 seed that they suggested it. There was a particular society in that district, which somehow or other, were averse to growing 1027 and tried to dissuade the cultivators from taking up this. At one time, they gave up their contention and asked the Central Cotton Committee to supply them with 1027 seed which they said they would sow. Somehow, they used the seed for feeding their cattle and still distributed an inferior seed among the cultivators. As I said, there was considerable doubt amongst the members of the Central Cotton Committee as to the superiority of the other seed. Then the Agricultural Department was asked to conduct special experiments and convince the Committee so that we could proceed to advise Government to bring up a Bill of this character. These experiments were conducted and I think my honourable friend, the Director of Agriculture, will be able to tell the House as to the results of those experiments much better than I can. The facts placed before the Central Cotton Committee convinced us that 1027 seed was better in the interest of the cultivator than Goghari seed. But, Sir, supposing there is some doubt, we have got the example of Rajpipla State itself. That State gradually introduced 1027 seed, completely displaced the Goghari cotton and have now actually prohibited it.

There is another point in this connection which might interest the House. We have got the experience of the Rajpipla State that the 1027 seed is less susceptible to climatic changes and diseases except from frost; that the picking of bolls is clean and easy; and that the *kapas* finds a ready market. This is the experience of the State and it took some years for the State to arrive at this conclusion. I do not think this honourable House will go wrong in giving its support to this Bill.

Sir, we have to look at this question from a broader point of view. There is no doubt that the world demand at present is for long staple cotton. India once prided itself on having a monopoly of short staple cotton. It is no good having monopoly in a commodity which is really not wanted in the world markets. The tendency is definitely to use long staple cotton.

Another fact is, undoubtedly, there is ample supply of short staple cotton in India. There are not very many tracts all over the country which are eminently suitable for the growing of long staple cotton. Therefore, if we come across a tract which is eminently suitable to grow long staple variety, certainly it is the duty of every one to encourage in that area the growing of long staple cotton, in preference to the inferior variety. Therefore, for the sake of national economy, I think it is quite proper that in this area we should take up the cultivation of 1027. This can only be done if the growing of Goghari cotton is prohibited through legislation. I may point out to this House that Madras had similar difficulties. They had what they call Pullichai which was an inferior variety finding its way to spoil good cotton. They have passed also an Act on similar lines and it has proved successful so far. Every bale of Goghari cotton produced in India will add to the difficulty of the Indian cotton market with its surplus of short staple cotton. On the contrary, a bale produced from 1027 consumed in India would replace foreign cotton of an equivalent quality which is now consumed in India. Particularly at this juncture, India is doing its best to find a market for its cotton. We are asking Lancashire and others to use as much Indian cotton as possible. Therefore, unless we grow varieties which are suitable to Lancashire and the Continent we cannot achieve our object. The cultivator stands to gain more, the more competitors there are in the market. From that point of view, we must give encouragement to the growing of long staple cotton in India. Not only the outside market, in India itself, the mills are changing the character of their production and going in for finer varieties of crop year by year. If nothing but 1027 is grown in that tract, the cotton will be readily consumed by the mills. Now, whatever is grown of 1027, it is consumed by the Ahmedabad mills, so that Bombay mills do not get a supply of that variety. Therefore, there is not only a foreign market, but there is a home market. When there is a market at our doors, we should endeavour to grow this variety. In my opinion, this is a very useful thing.

Before I sit down, I cannot help remarking that this Bill, a very useful one, coupled with the one which we recently passed—an equally useful Bill—forms a very refreshing and pleasant contrast to the Motor Taxation Bill over which this House wasted many precious days. With these words, I support the Bill.

APPENDIX 24.

THE EAST INDIA COTTON ASSOCIATION: HEDGE CONTRACTS—PROPOSED INSTITUTION OF A NEW STAPLE CONTRACT.

Copy of letter dated 26th June 1935, from Mr. Chandrakant Mulraj Khataw, to the Association.

Re: REVISION OF HEDGE CONTRACTS.

The above matter which is important to consumers of cotton is being at present discussed and considered by the Board of the East India Cotton Association.

In this connection there is a suggestion of framing a new "Staple Contract" against which cottons of $\frac{7}{8}$ " staple length and above only are to be made tenderable.

In order that we may put our views before the Board, this matter should be considered by the Committee of the Millowners' Association, and if the Chairman should wish it, I shall be glad to discuss the matter with him personally.

I should be glad to know the views of your Committee before the 15th of July as probably this subject will come up before the Board by that time.

Copy of letter No. 1633/153 dated 9th July 1935, from the Association to Mr. Chandrakant Mulraj Khatau and Mr. Ramnivas Ramnarain.

Your letter dated the 26th ultimo in connection with the proposed institution of a Staple Contract by the East India Cotton Association was discussed by the Committee at the meeting held this afternoon, and it was resolved that the proposition should be opposed. From the papers kindly made available by you, it would appear that what the Board of the East India Cotton Association propose to do is to institute a special quality Staple Contract with a prescribed minimum length of $\frac{7}{8}$ " and above. This, as the Committee observe from the papers, might result in certain growths at present tenderable under Broach Contract being included in the new contract.

Your objection to the proposal might be based on the following points:—

- (1) The Millowners' Association, Bombay, has always held that the existing Hedge Contracts are not wide enough and that the institution of a single Hedge Contract should be the ultimate ideal to be aimed at by the East India Cotton Association.
- (2) The object which the proposal has in view could be more appropriately served by reviving the Southern Contract and amalgamating it with Broach.
- (3) It is incorrect to say that the demand for a new contract of the type proposed comes from the growers. Representatives of growers and the Indian Central Cotton Committee who tendered evidence before the Wiles Committee in 1930-31 did not press the need for a special Staple Contract on the lines proposed. In short, what they wanted was that the Southern Contract which is practically a dead contract should be amalgamated with the Broach Contract. This is entirely in accordance with the views of the Millowners' Association, Bombay.
- (4) Reference might be made to the squeeze which occurred in the Broach Contract during the last season, which proved conclusively that the Broach Contract as it stands is not wide enough. Therefore, what the East India Cotton Association are seeking to do is to make matters worse by narrowing this contract.
- (5) The best way to ensure the interests of all parties would be to make the existing Broach Contract less liable to raids, and this certainly is not going to be achieved by the proposition before the East India Cotton Association.

You might, if you consider it desirable, also indicate that the Committee of the Millowners' Association, Bombay, are considering the question of submitting proposals for a further widening of the Hedge Contracts and that, in the meantime, they desire to record their emphatic protest against the new proposals.

I enclose herewith for ready reference copy of a note* submitted to the Committee, which explains the position taken up by the Association from time to time on the question of Hedge Contracts. If you desire any further information on the subject I shall be glad if you will kindly let me know.

* Not printed.

APPENDIX 25.

OPTION BY-LAWS OF THE EAST INDIA COTTON ASSOCIATION.

Copy of letter dated the 3rd January 1935, from Sir Ness Wadia, K.B.E., C.I.E., to the Association.

I herewith enclose for the information of the Committee a notice* received from the East India Cotton Association, Ltd., calling an Extraordinary General Meeting of the Association on the 8th day of January 1935, at 4 p.m., for enactment of New By-Laws and Forms of Option Contracts.

The Option Contract has played havoc with this market. I understand to-day as much as 600,000 bales are on option and this has pushed up the market unnecessarily. We, as an Association, should strongly object to these By-Laws being passed by the East India Cotton Association, and further we should instruct all our Members on the panel to be present and vote against them at the General Meeting.

Will you please therefore bring this subject as urgent matter before the next Committee Meeting on Friday.

Copy of letter No. 46/139, dated the 4th January 1935, from the Association, to all Millowner representatives of the Buyers' Panel of the East India Cotton Association.

I am directed to request you to make it convenient to attend the Extraordinary General Meeting of the East India Cotton Association to be held in the Board Room of that Association (Taj Building, Hornby Road, Fort), on Tuesday, 8th January 1935, at 4 p.m. (S.T.), when certain By-laws and amendments to existing By-laws concerning the regulation of trading in Option Contracts will be submitted for adoption.

The view of this Association as expressed in a letter addressed to the Government of Bombay, on 15th April 1931, was as under :—

“Teji Mandi.—Though the Association has always held it to be desirable that *Teji Mandi* transactions should be abolished altogether and declared illegal, it is felt that the Committee is right in holding that these transactions have become to such an extent a feature of the Forward market in cotton that the East India Cotton Association would probably be unable to suppress them. Failing the possibility of their entire suppression in the conditions which are peculiar to the trade in Bombay, the Association believes that they should be brought under the control of the East India Cotton Association by means of suitable By-laws, e.g., By-laws providing for the compulsory payment of cash premia and the regular payment of differences through the Clearing House. It remains to be seen whether the provisions recommended by the Committee for their control will result, as the Committee believe, in a reduction of their volume or in reducing the liability of the market to sudden crises. The Association also recommends that the Clearing House should maintain a record of payments made by way of differences in *Teji Mandi* transactions, so that the extent of such transactions may be known.”

At a special meeting of the Committee held to-day, it was generally agreed that no By-laws which the East India Cotton Association might adopt would be likely to bring about a reduction in the volume of option business, or reduce the liability of the market to constant

* Not printed.

crises, judged by the great increase in option business which has taken place during the last few months. At the present time, it is understood that something like 600,000 bales are on option and that this option business has pushed up the market unnecessarily to the detriment of genuine traders; and that, in these circumstances, it would be desirable to revert to the original position taken up by the Association, namely, that *Teji Mandi* transactions should be abolished altogether and declared illegal.

If you agree with this view, you are requested to attend the meeting of the East India Cotton Association and record your vote against the adoption of the new By-laws.

APPENDIX 26.

STANDARDS FOR EAST AFRICAN COTTON.

Copy of letter dated 7th August 1935, from Mr. Chandrakant Mulraj Khatau to the Association.

Herewith I enclose a copy of report of a meeting of the Standards Committee held on 29th May 1935, together with copies of letters received from Members of the Special Appeal Committee on African cotton communicating their views on the recommendation made by the Standards Committee in the final para thereof.

In order to enable the Board to consider the views of the buyers of African cotton on the recommendation made by the Standards Committee, I have to request you to get the opinion of the Committee of the Millowners' Association thereon, after perusal of the views herein.

Report of a meeting of the Standards Committee held at 12-30 p.m., on Wednesday, the 29th May 1935, in the Appeal Room, Cotton Exchange, Sowri.

Present :—

C. P. Bramble, Esq. (in the Chair).
 L. F. H. Goodwin, Esq.
 R. G. Saraiya, Esq.
 M. S. Durutti, Esq.
 Mawji Bhimji, Esq.
 Bansidhar Chokhani, Esq.

The Committee inspected A. R. Kampala, Busoga, Bukhedi and Jinja standards and also read the comments made thereon in respect of 1933-34 standards by the Special Appeal Committee on African cotton. After a comparison of these standards with the corresponding Reference standards of the last season, the Committee approved of one box each of the above-named standards after modifications had been made to the A. R. Busoga, Bukhedi and Jinja boxes.

Mr. Nanavati was instructed to bring the remaining two sets of these standards into conformity with the set as approved of by the Committee and then re-submit them for their approval on Wednesday, the 5th June 1935.

The Committee recommended to the Board that steps be taken to abolish the distinction between the several varieties of African Cotton traded in in the market, and that one range of East African Cotton standards should be adopted against which all the present varieties may be tendered.

Copy of letter No. 2086/178A, dated the 27th August 1935, from the Association to Chandrakant Mulraj Khatau, Esq.

I am directed to acknowledge receipt of your letter dated 7th/8th August, in which you request my Committee to express an opinion on certain proposals made by the Standards Committee of the East India Cotton Association. Briefly stated, the Standards Committee recommend that "steps be taken to abolish the distinction between the several varieties of African Cotton traded in in the market, and that one range of East African Cotton standards should be adopted against which all the present varieties may be tendered." My Committee have perused with interest the views expressed by certain other members of the East India Cotton Association on this proposal, and I am directed to point out that they agree with the recommendation of the Standards Committee of the East India Cotton Association *provided* boxes representing all the important grades of African Cotton are established by the East India Cotton Association. The Committee consider that it would be incorrect to judge cotton on geographical distinctions, and are of opinion that the consumer's interest should be adequately safeguarded if a range of not less than say 6 grades covering as many varieties of African Cotton as possible were prepared and maintained by the East India Cotton Association.

Copy of letter dated the 29th October 1935, from the East India Cotton Association to the Chairman and Members of the Standards Committee.

I am directed to inform you that the Board have considered the following recommendation made by the Standards Committee in the Report of their meeting held on the 29th May 1935, viz :—

"That steps be taken to abolish the distinction between the several varieties of African cotton traded in in the market, and that one range of East African Cotton Standards be adopted against which all the present varieties may be tendered,"

and to say that the views of the Millowners' Association, Bombay, as well as of the members of the Special Appeal Committee on African Cotton on this recommendation were invited for the information of the Board and a summary of the same is enclosed herewith.

I am to say that the Board, in view of there being a sharp conflict of views on the recommendation in question have decided that consideration of the same be adjourned *sine die*.

APPENDIX 27.

FIXATION OF STAPLE LENGTHS FOR EAST AFRICAN COTTON.

Copy of letter No. 4285, dated the 22nd July 1935, from the East India Cotton Association to the Association.

I am directed to inform you that the question of prescribing the minimum staple length for African cotton has been engaging the attention of the Board of Directors of my Association for the past four years. In 1933, the Special Appeal Committee on African cotton, to which this question was referred for their consideration and report thereon to the Board, made a tentative recommendation to the Board, viz., that they were in favour of minimum staple length of AR Kampala, AR Busoga and AR Jinja cottons being prescribed at 1 1/32". This recommendation was notified to the Trade as well as to your Association, with the object of inviting their views thereon for consideration by the Board before they decided to accept the Committee's recommendation and give effect to the same.

Your Association and several members dealing in African cotton were not in favour of the staple length being prescribed at $1\frac{1}{32}$ ". The Director of Agriculture, Uganda, whose views were also invited, was of the opinion that the minimum suggested by the Committee was rather on the low side and suggested that the prescription of minimum staple length in our Association's contract should be deferred, in view of the Uganda Cotton Association being divided in its opinion, until the basis of estimation of staple lengths had been settled.

2. In view of this divergence of opinion on the recommendation of the Special Appeal Committee it was decided by the Committee that the Director, Technological Laboratory, should be requested to carry out further fibre-tests on samples of African cotton submitted by the Special Appeal Committee as well as by the Millowner members of the Association. Accordingly, further tests were made with the result that the average value of AR Kampala is found to be just over $1\frac{1}{32}$ ", that of AR Busoga just under $1\frac{1}{16}$ "; while that of AR Jinja is mid-way between the two cottons.

3. The tests carried out at the Laboratory are inclined to show a lower staple length than that as estimated by a visual examination of cotton because (1) some of the shorter fibres are likely to be thrown out in the act of "pulling" and (2) some of these fibres lie hidden in the tuft and are, therefore, likely to be ignored in the visual examination. As a result the staple length, as estimated by the Trade (Appeal Committee) is $1\frac{1}{16}$ " which is equivalent to 1.03"—1.04", as found by the Laboratory methods.

4. In June last, the Special Appeal Committee on African cotton reviewed the question of prescribing the minimum staple length of African cotton in the light of reports made by the Director, Technological Laboratory on fibre-tests carried out by him at the Laboratory. The majority opinion of the Committee was that, as a tentative measure, the minimum staple length of African cotton should be prescribed at $1\frac{1}{16}$ ", as understood by the Trade and which is equivalent to 1.03"—1.04", as defined by the Laboratory tests, subject to provision being made for the preparation of a set of "staple standards" by the Association, representing the various growths tenderable against the African cotton contract, to be made available in the settlement of surveys and appeals for the purposes of feeling and testing the staple of cotton. The Committee further recommend that in the event of the Board making provision for "staple standards" the fact of the Laboratory tests showing a little lower staple than what the Trade estimates should be taken into account when preparing "Staple Standards."

5. In view of the objection of a member of the Committee to the proposed provision for "Staple Standards" by reason of the difficulty to be experienced in preparing them in such manner as would satisfy both sellers and buyers of this class of cotton and to the prescription of a staple length of $1\frac{1}{16}$ " of African cotton, the Committee suggested that the views of your Association and also the views of all persons engaged in dealings therein, as well as of the Director of Agriculture, Uganda, should be invited by the Board on the tentative proposals made by the Committee and referred to in para 4 above, in order to enable the Board to reach final conclusions on the question of the prescription of the staple length of African cotton. I am, therefore, to request the favour of your communicating to me the views of your Committee thereon for the information of the Board on or before the 15th August 1935.

Copy of letter No. 1948/178, dated the 13th August 1935, from the Association to the East India Cotton Association, Ltd., Bombay.

I am directed to acknowledge the receipt of your letter No. 4285 dated the 22nd July 1935, in regard to the fixation of minimum staple lengths for A. R. Busoga, A. R. Jinja and A. R. Kampala Cottons, and to say that my Committee are in favour of a minimum staple length of $1\frac{1}{16}$ of an inch, *not* as understood by the Trade, but according to the universal standards. It is considered that anything less than $1\frac{1}{16}$ of an inch universal would not adequately protect the buyer of the above varieties of East African Cotton, and my Committee are inclined to the view that, with a view to preserve the reputation of these growths, a

higher staple length might be necessary, but it is understood that the arrangement proposed is only of a tentative character, and that the Board of the East India Cotton Association will shortly go into this question on receipt of certain particulars from the Director of Agriculture, Uganda.

APPENDIX 28.

PROTECTION TO THE SERICULTURE INDUSTRY.

Copy of letter No. 1252, dated the 17th April 1935, from the Mysore Chamber of Commerce to the Association.

While thanking you for the kindness and courtesy extended to me when I called at your Chamber recently, I send herewith a Note* on the Inadequacy of Protection to the Indian Silk Industry, prepared by the Mysore Silk Association, Bangalore City, for favour of information together with a statement showing the Japanese and Chinese imports of Raw Silk and silk goods into India. I hope that I have impressed you with the importance and the urgency of the matter and that you will move the Government of India to take the claims of the industry into consideration. I shall feel obliged if you will kindly send me in due course a copy of your representation to the Government of India.

I hope you will allow me to thank you for the interest you have evinced in the matter.

With kind regards.

Copy of letter No. 1192/91, dated the 16th May 1935, from the Association to the Mysore Chamber of Commerce, Bangalore City.

I write to acknowledge the receipt of your letter No. 1252, M. C. C., dated the 17th April 1935, with which was enclosed a note on the inadequacy of the protection to the Indian Silk Industry, and a printed note on the same subject by the Mysore Silk Association.

Your letter suggested that my Association should move the Government of India to take the claims of the industry into consideration.

Your letter and the enclosures thereto were recently placed before my Committee for their consideration and I am directed to reply that my Committee regret their inability to take the initiative or submit a special representation to the Government of India in this matter. This decision was arrived at after mature consideration of the points raised in your letter and the notes attached thereto from which it would appear that the Government of India are to some extent committed to undertake an investigation if the existing duties are inadequate for the purposes for which they were imposed (*vide* pages 9 and 16 of the Mysore Silk Association's note). My Committee desire me to express their sympathy with the Silk Industry in its present difficulties, but at the same time desire me to make it clear that they could not in existing circumstances support any case which included a demand for the imposition of prohibitive duties on artificial silk yarn. They would, however, be prepared to support a demand for more adequate import duties on artificial silk piecegoods and artificial silk mixtures. A further observation which my Committee would like to make is that the present duties have not been imposed for a sufficient length of time to test their adequacy or appropriateness, and that in any event they are inclined to the view that no matter what duties are imposed upon artificial silk it will eventually displace natural silk in a very large variety of fabrics, and if this view point is correct, the use of artificial silk yarn should be encouraged rather than discouraged by handloom weavers.

* Not Printed.

In Japan and China, but particularly in the former country, weavers who previously used nothing but natural silk, have now largely turned over to artificial silk with great success, and a similar policy in India would possibly produce similar results.

APPENDIX 29.

IMPORT DUTIES ON FENTS.

Copy of letter No. 750/98, dated the 3rd April 1935, from the Association to the Government of India, Department of Commerce, New Delhi.

IMPORTS OF FENTS INTO BRITISH INDIA.

I am directed to refer you to my letter No. 2031/119, dated the 11th October 1934, which dealt with the position in regard to the importations of Japanese fents up to the end of August 1934. It was pointed out in that letter that there had been a great increase in the importations of fents from Japan after the reduction of the duty on that class of piecegoods from the 1st May 1934, and that there was reason to believe that a considerable proportion of the imports coming in from Japan were of a spurious character. Since the end of August, the monthly imports of Japanese fents have been :—

	Million yards.					
1934 :—September	2.97
October	2.85
November	2.03
December	2.77
1935 :—January	4.73

Since the reduction of the duty on the 1st May 1934, the total imports of fents from Japan have amounted to 28.44 million yards as against 7 million yards, or less than one-fourth of this quantity, in the corresponding period of the previous year, and there are indications that importations will be on an even heavier scale in future. These fents from Japan, which are unfortunately not included in the piecegoods quota, have very detrimentally affected the sales of our coloured and fancy goods, and my Committee would like to stress once more the desirability of either including fents in the quota, or increasing the rate of duty to that at present applicable to other types of foreign cotton piecegoods, namely 50 per cent.

In this connection, my Committee desire to draw the attention of Government to the fact that in the first 9 months of the fiscal year 1934-35, about 1.2 million yards of fents were imported into the Maritime States of Kathiawar. The figures for the corresponding period in the fiscal years 1932-33 and 1933-34 were 40,000 yards and 11,057 yards respectively. It is also to be noted that the increased importations of fents coincided with the decrease in duties which took effect from the 1st May 1934. From the figures published by the Director-General of Commercial Intelligence and Statistics, it is not possible to ascertain the exact source of such importations, but in view of the fact that Japan has, during the last two years, captured the bulk of the fents trade of British India, it is reasonable to suppose that a very large proportion of the imports into Kathiawar is also of Japanese origin.

Under all the circumstances of the case, my Committee submit that there is a very strong case for very early action by Government in this matter.

Copy of letter No. 1766/98, dated the 22nd July 1935, from the Association to the Secretary to the Government of India, Department of Commerce, Simla.

Subject :—IMPORTATION OF FENTS—ARTIFICIAL SILK PIECEGOODS.

I am directed to invite your attention to this office letters Nos. 2031/119 and 750/98, dated the 11th October 1934 and 3rd April 1935, respectively, in which Government's attention was drawn to the increase in the volume of fents imported into British India, particularly from Japan. For ready reference, I quote below the figures as far as they are available :—

Importation of Fents into British India from Japan.

(Figures are in Thousands of Yards).

1930	..	..	..	..	..	..	..	30
1931	..	..	..	..	..	..	..	90
1932	..	..	..	..	..	..	..	333
1933	..	..	..	..	..	..	..	7,411
1934	..	..	..	..	..	..	..	25,630
1935	January	..	..	..	..	..	..	4,732
	February	..	..	..	..	..	..	5,190
	March	..	..	..	..	..	..	2,779
	April	..	..	..	..	..	..	1,311
	May	..	..	..	..	..	..	3,488
								————— 17,500

When the figures for the complete year 1935 become available, they would probably be round about 37 million yards. The published figures of Government do not throw any light on the character of the goods imported under the head "Fents," but from independent enquiries made by my Committee in the market, it would appear that the bulk of the goods imported as "Fents" are really artificial silk piecegoods and artificial silk mixtures, cut into special lengths, varying from 3 to 3½ yards according to the width of the cloth. That there has been an acceleration in the import of artificial silk fents was admitted by the Honourable Mr. Stewart when he recently met the Committee of my Association, but the Association was asked to furnish Government with further evidence and definite proposals for setting matters right.

One of our members purchased very recently a case of Japanese artificial silk fents, and found therein 294 pieces of *one quality* in four designs in a number of colours. All these pieces were of the *same width*, and with the exception of 40 pieces measuring about 3½ yards each, all were three yards in length, and none of the pieces were in any way damaged or faulty. (One piece is forwarded under separate registered parcel for inspection.)

In this connection, it will be remembered that, speaking on the Tariff Protection Amendment Bill of 1934, the Honourable Sir Joseph Bore assured the Assembly that :—

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

The Honourable Member further explained :—

"the mere fact that a fent or a piece of cloth comes in, which is 4 yards in length, by itself does not bring it under the definition of fents. Collectors of Customs have been

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

The definition of the term "Fents" conveyed in the above statement substantially tallies with the instructions which had previously been given to the Collectors of Customs by the Central Board of Revenue, but it is difficult to understand why the particular consignment referred to above was allowed to come in under the lower rate of duty, and my Committee would greatly appreciate it if Government would inform them whether there were any special reasons for treating such imports as ordinary fents. As far as my Committee can see, the cloth in question cannot by any means be called a damaged piece; on the other hand, the assortment of the pieces, packing, etc., suggest a deliberate attempt on the part of importers to get real artificial silk piecegoods into India under the lower rate of duty.

My Committee are aware that the Customs authorities, particularly in Bombay, keep a special watch over consignments of fents, but they would like to submit that the existence of a lower rate of duty on fents would be an open invitation to the importers and manufacturers of Japanese goods, to take advantage of the situation, and unless every consignment is opened and checked, detection would be impossible. Systematic examination of cases supposed to contain fents could hardly be advocated as a permanent and effective measure to counteract the importation of spurious fents, and what my Committee, therefore, suggest is that the lower rate of duty, which is probably the only attraction for this line of business, should be altogether removed. On account of their lower prices, *bona fide* fents can stand a higher *ad valorem* rate of duty than at present without serious detriment to the consumer, and it is my Committee's submission that the existing lower rate of duty on fents should be substituted by the higher duties applicable to cotton or artificial silk piecegoods according as the cloth in question is made of cotton or artificial silk. As regards union fabrics, the rate of duty would be the rate applicable to artificial silk piecegoods.

While this solution appears to be the ideal one, it would probably lead to similar results if the definition of the term "Fents" was slightly altered. From an examination of the artificial silk fents at present imported, it would appear that the advantage, which it was thought would accrue to the Indian Industry by reducing the length of the fents from 9 to 4 yards has been practically negated by the importation of fents of garment lengths. The 27" and 36" wide artificial silk cloths at present imported by Japan in 3 to 3½-yard lengths are perfect garment lengths, and it is, therefore, worth considering whether a further reduction in the length would not be met by Japanese manufacturers by an increase in the width of the cloth, so that one cut-piece may, despite any further reduction in the length in piece, contain the same area of cloth as in a 3 or 3½-yard piece. In these circumstances, it occurs to my Committee that the basis of assessment of fents might be changed from four linear yards to two square yards.

In conclusion my Committee desire to urge that there exists a very clear case for early and effective action on the part of Government not only on the lines set forth in this letter with reference to the imports of artificial silk fents, but also in connection with real artificial silk piecegoods on which a very high scale of duties is essential not only from the point of view of the Mill Industry, but also of the Handloom Industry. The volume and prices at which both artificial silk piecegoods and artificial silk fents are at present imported into and marketed in this country are a serious menace to the fancy trade of the Indian Mills. From the point of view of the Handloom Industry, the case for very early action is still stronger inasmuch as the handloom weaver will ultimately be forced to take up the production of coarse cotton goods in which competition from Japan is not perhaps so severe, but which would bring him much lesser income per day. Under all the circumstances of the case, my Committee sincerely trust that it will be possible for Government to take very early action in this matter.

APPENDIX 30.

IMPORT DUTY ON SEWING THREAD AND DARNING THREAD.

*Copy of letter No. 4933, dated the 13th July 1935, from Killick, Nixon & Co.,
Agents, Kohinoor Mills, to the Association.*

We read with considerable astonishment in the *Times of India* of Saturday the 6th instant a statement relating to an amendment of the customs duty on cotton sewing or darning threads. A copy of this notification is enclosed* for your information. This amendment is particularly surprising coming as it does so soon after Mr. Stewart, the Commerce Secretary's meeting with the Committee of the Millowners' Association last week at which no mention was made by him of any impending reduction.

On Monday, the 8th instant, we took upon ourselves to write to Mr. Stewart privately complaining bitterly of the reduction in duty made by the Government of India. Our main points were as follows:—

- (1) The reduction was made without any reference to the Millowners' Association or anyone else in India directly connected with the trade.
- (2) There is no justification, in our opinion, for any reduction in duty without first of all relieving Indian Mills from the heavy import duty on Raw Cotton and, in this connection, we pointed out that Mills were not importing cotton that could be grown in India in merchantable quantities.
- (3) We mentioned that Indian Mills had been and were still doing their best to "put their house in order" and that they had every right to expect that help from the Government of India which we understood every country was giving to their manufacturers.

Apart from the aspect we have set forth above, there is another very serious aspect of this case. As mentioned in Clause 3 of the Lees-Mody Pact, the import duty was previously $6\frac{1}{2}$ per cent. or $1\frac{3}{4}$ annas per lb. on all British and foreign yarn including sewing and darning threads but, under this Pact, the duty on British yarn was voluntarily reduced to 5 per cent. or $1\frac{1}{2}$ annas leaving $6\frac{1}{2}$ per cent. or $1\frac{3}{4}$ annas per lb. on yarns of non-British manufacture. The Government of India subsequently took it upon themselves to go beyond the terms of this agreement and fixed the following duties:—

- (A) On counts above 50s—
 - (i) of British manufacture 5 per cent. *ad valorem*.
 - (ii) not of British manufacture.. .. $6\frac{1}{2}$ per cent. *ad valorem*.
- (B) On counts 50s and below—
 - (i) of British manufacture 5 per cent. or $1\frac{1}{2}$ annas whichever is higher.
 - (ii) not of British manufacture.. .. $6\frac{1}{2}$ per cent. or $1\frac{3}{4}$ annas whichever is higher.

The effect of this, we most emphatically state, is that a very large portion of the fine counts trade is being captured by Japan at the expense of Lancashire and the Indian Mills who had been recommended by the Tariff Board of 1927 "to go finer" and certain of whom it may also be said had accepted the advice of the Tariff Board. A proof of the above statement lies in the fact that, after the reduction in imported yarns on counts above 50s, Japanese imports of 60s rose to record dimensions.

* Not printed.

The Government of India have now thought fit to remove the minimum specific duties on sewing and darning threads leaving an *ad valorem* duty of 5 per cent. on goods of British manufacture and 6½ per cent. on foreign manufacture. It remains, of course, to be seen what the consequences of this step will be but we would hazard a guess however and state that, in our opinion, history will be repeated and Japan will find herself in a position to compete very favourably in this trade. In this connection we would state that Japan has been exploring this field and is making imports into this country, although perhaps at present on only a small scale.

The *ad valorem* figure may be taken at any value but to give an illustration of what this reduction in Import Duty means, we will take a value of 14 annas per lb. c.i.f. On this value, the import duty on British yarns is reduced from 1½ annas per lb. to say 7/10 of an anna, whilst foreign manufactures are reduced from 1.¾ annas to no less than ¾ of an anna per lb. On this basis, it clearly proves that foreign yarns in particular have been considerably assisted by this action of the Government of India and at the expense of Indian Mills.

Whilst on this point, we would also draw your attention to the fact that this reduction in the duty on sewing and darning threads may have other consequences which may not have been foreseen. For instance, 2/42s bleached may be imported as "Sewing Thread." This could also apply to 2/60s, 2/64s and 2/80s of which importations are growing every month.

We do not think that this matter should be considered by the Committee of the Association from the point of view as to whether this reduction in duty affects this or that Mill but that it should be considered chiefly on a question of principle and we maintain that the Government of India should make no reductions in Import Duties before consulting the Trade or Trades affected.

Copy of letter No. 1872/175, dated the 2nd August 1935, from the Association to the Secretary to the Government of India, Finance Department, Simla.

Subject:—IMPORT DUTY ON SEWING THREAD AND DARNING THREAD.

The attention of my Association has been drawn to the Government of India, Finance Department (Central Board of Revenue)—Customs Notification No. 38, dated 6th July 1935, published in the *Government of India Gazette*. In accordance with this notification, it is understood that the minimum specific duties applicable to cotton yarns, sewing thread and darning thread under 50s have been removed in so far as sewing thread and darning thread are concerned. In other words, sewing thread and darning thread will in future be subject only to the *ad valorem* rates of 5 per cent. or 6½ per cent. according as they are of British or Foreign manufacture.

My Committee greatly regret that Government did not deem it necessary to consult the interests concerned before removing the specific duty on sewing thread and darning thread. This is probably due to an inadequate appreciation of the difficulties which it would create for the Indian industry, and in submitting the following statement of the industry's case, my Committee venture to hope that Government would recognize the seriousness of the situation, and set matters right as early as possible.

The circumstances which, in the opinion of Government, necessitated the removal of the minimum specific duties appear to be that, firstly, the real value of sewing thread and darning thread is usually so high that only on very rare occasions did the minimum specific duty become applicable, and secondly the count applicable to sewing thread and darning thread is not calculated in the same way as that of the ordinary cotton yarn, and that, therefore, according to Government, the notification referred to above was only intended to remove an administrative difficulty which had been felt in most custom houses, namely, the determination of the count of sewing and darning thread, without in any way affecting the amount of duty payable on imports thereof.

My Committee have carefully examined these two points, and I am desired to point out, in the first instance, that it is not quite correct to maintain that the real value of sewing thread and darning thread is usually so high that only on very rare occasions did the specific duty become applicable. As Government are aware, the minimum specific duty ceases to be effective when the real value per pound of sewing thread exceeds 25 annas in the case of United Kingdom manufactures and 30 annas in the case of foreign manufactures. By separate registered post, I have forwarded two samples marked 'A' and 'B.'

Sample 'A' is a 2/28s English sewing thread—c.i.f. price, Re. 0-13-4 per lb.

Sample 'B' is a 2/30s English sewing thread—c.i.f. price, Re. 0-14-3 per lb.

The bulk of the sewing thread in respect of which the minimum specific duty was hitherto applicable consists of 2/28s, 2/30s and 2/42s, and my Committee understand that the c.i.f. prices of all these varieties are well below 25 annas, and that the *ad valorem* rate of duty on these threads will always be lower than the minimum specific duty.

In this connection, my Committee also desire to point out that Japan has very recently entered the Indian market in this type of goods, the c.i.f. prices of Japanese 2/28s, 2/30s and 2/42s sewing threads being much below the corresponding sewing threads of British manufacture. The removal of the specific duty will, therefore, confer a direct advantage to Japan in competing in the Indian market against both Indian mill-made and British sewing threads as the following figures will show :—

				Rs. a. p.	
The c.i.f. price of <i>British</i> 2/28s is	..	..	..	0 13 4	per lb.
Duty at the minimum specific rate	..	..	..	0 1 3	
Selling price				0 14 7	
For the same yarn the duty at present leviable will be 5 per cent. <i>ad valorem</i> , i.e., 8 pies.					
Therefore, total selling price at present	..	..	..	0 13 4	
				+ 0 0 8	14 annas.
Advantage to United Kingdom = 7 pies.					
Assuming that the price of the corresponding <i>Japanese</i> 2/28s sewing thread is also					
Duty at the minimum specific rate	..	..	..	0 13 4	per lb.
				0 1 10½	
Selling price				0 15 2½	
For the same yarn, the duty at present leviable will be 6½ per cent. of Re. 0-13-4, i.e., 10 pies.					
Therefore, total selling price	..	..	..	0 13 4	
				+ 0 0 10	0 14 2
Advantage to Japan = <u>Re. 0-1-0½.</u>					

One of our members, who has recently installed special plant for producing sewing threads, is placing in the market a certain quality of 2/28s, which is comparable to the qualities marketed by Japan and United Kingdom. The latest price realised by this Mill for its 2/28s bleached sewing thread was Re. 0-14-11 per lb. The removal of the minimum specific duty is a serious matter for them, since recent advices from the market indicate that the corresponding qualities of Japanese 2/28s sewings are quoted at 12½ annas, *ex-godown*, Bombay.

While it may be difficult to estimate the count of yarns folded or doubled for the purpose of making a sewing thread, the remedy applied by Government is, in the opinion of my Committee, likely to lead to results which, my Committee feel, Government do not

desire to bring about. It has already been pointed out that the removal of the specific duty will give an enormous fillip to Japan to the detriment of both Indian and United Kingdom Mills. There is also the possibility of even folded cotton yarns under 50s being imported into this country under the lower *ad valorem* rate of duty applicable to counts over 50s. So far as my Committee are aware, it is not difficult to manipulate folded yarn and give it the finish and appearance of sewing thread for the purpose of avoiding the minimum specific duty, and the advantage of about one anna per pound which it would confer on the foreign manufacturer would be sufficient encouragement for him to undertake the process. As a matter of fact, my Committee are reliably given to understand that dealers of Japanese yarns have already written to the manufacturers asking them to invoice folded yarn as sewing threads.

As Government are aware, about six million lbs. of grey and bleached folded yarns are at present being imported into this country, which would ordinarily be subject to the minimum specific duties. More than 80 per cent. of this quantity comes from China and Japan, and if endeavours were made to bring them in under the rate of duty applicable to sewing thread, the protection afforded to the spinning section of the industry would be considerably diminished.

Under all the circumstances of the case, it is the considered opinion of the Committee of the Association that Government Notification No. 38, dated 6th July 1935, should be withdrawn, and that the minimum specific duty hitherto levied on yarn up to 50s count should be continued on sewing thread and darning thread also.

APPENDIX 31.

IMPORT DUTY ON SIZING FLANNEL, ROLLER AND CLEARER CLOTH AND BELTING YARN.

Copy of letter No. 88, dated the 1st February 1935, from the Secretary, Tariff Board, Bombay, to the Association.

Subject :—SIZING FLANNEL, ROLLER AND CLEARER CLOTH AND BELTING YARN.

With reference to paragraph 52 of the representation of the Indian Woollen Mill Industry, I am directed to say that the Board will be glad to have answers to the following questions :—

- (1) What are the requirements of the textile industry of these materials ?
- (2) Which are the mills manufacturing these materials ?
- (3) What is the view of the Millowners' Association in regard to the proposed higher import duties ? Is it recommended that the concession of lower duties as being mill stores should be cancelled and the ordinary duties levied or is it proposed that some lower duties sufficient for the purpose should be imposed ?
- (4) In the latter case will you be so good as to forward to the Board c.i.f. and market prices of the articles in question and direct the manufacturing mills to submit their cost of production in the form prescribed in the mill questionnaire.

Copy of letter No. 473/73A, dated the 26th February 1935, from the Association to the Secretary, Tariff Board, Bombay.

Subject:—SIZING FLANNEL, ROLLER AND CLEARER CLOTH AND BELTING YARN.

I am directed to invite your attention to your letter No. 88, dated the 1st instant and my reply thereto, No. 325/73, dated the 6th February 1935, on the above subject.

With regard to the specific questions asked by the Board I am directed to point out at the outset that, from enquiries made by the Association the Indian Woollen Mill Industry does not appear to be manufacturing roller cloth in commercial quantities. So far as this cloth is concerned, therefore, my Committee regret they cannot support the application made by the Woollen Mill Industry.

The Cotton Textile Industry is not a large user of belting yarn, and questions relating to the effect of an increase in duty in respect of this article might, therefore, be addressed to industries more directly affected by the increase in the duties asked for by the Woollen Industry. I have, therefore, strictly confined my remarks in the following paragraphs to *sizing flannel and clearer cloth*.

As regards the first question of the Board, no exact statistics are available, but from independent enquiries made by the Association, it would appear that about 29,000 yards of clearer cloth and 89,000 yards of sizing flannel are consumed per annum by the Indian Cotton Mill Industry. These figures are based on an estimate of 3 yards of clearer cloth per 1,000 spindles and 456 yards of sizing flannel per 1,000 looms.

With regard to question No. 2 the Indian Woollen Mills at present appear to be manufacturing sizing flannel and clearer cloth in fairly large quantities. The Maharani Woollen Mills, Baroda (now under liquidation) were manufacturing sizing flannel and clearer cloth for about three years until they were closed down. The Bangalore Woollen Mills are making sizing flannel for their own use and for the use of the cotton mills under the same management. The Cawnpore Woollen Mills and the New Egerton Woollen Mills appear to be fully equipped to supply the requirements of the Indian Mills in sizing flannel and clearer cloth, but no information is available as regards the extent to which they produce these articles at present. The Kaiser-i-Hind Woollen Mills, Bangalore, do not appear to be equipped for the manufacture of clearer cloth and sizing flannel. The Raymond Woollen Mills have produced small quantities of sizing flannel and clearer cloth, chiefly for their own use and for the mills under the agency of Messrs. E. D. Sassoon & Co., Ltd.

Question No. 3. The effect of an increase in the duty on clearer cloth and sizing flannel has been very carefully considered by my Committee, and while they are aware that an increase in the duty suggested by the Woollen Mill Industry would undoubtedly lead to some increase in the cost of production to the Cotton Mill Industry, they are prepared, as a gesture of goodwill to a sister industry applying for protection, to waive their opposition to an increase in the duty on these articles, provided that the new duties imposed do not exceed the duties imposed on other classes of pure woollen piecegoods from the same sources and that these protective duties are imposed for a strictly limited period.

In regard to the Board's question No. 4 my Committee consider that an answer should be furnished by the Industry asking for protection, and they have accordingly asked woollen mill members to submit their individual answers to the Board direct.

APPENDIX 32.

IMPORT DUTY ON DYESTUFFS.

Copy of letter No. 183/55, dated the 19th January 1935, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.

Subject :—IMPORT DUTY ON DYESTUFFS.

In accordance with the recommendations of the Tariff Board (Textile Industry Enquiry, 1926-27), the duty on practically all classes of cotton dyes was removed in October 1927. (The relief which the removal of the duty gave to the Cotton Textile Industry was greatly appreciated.) In September 1931, owing to great financial stringency, an emergency budget was introduced in the Legislative Assembly as a result of which a duty of 10 per cent. *ad valorem* was imposed on dyestuffs as a temporary measure. The surcharges and new duties imposed under the emergency budget of 1931 have unfortunately had to be continued down to the present time, but my Association would like to be assured that, when the surcharges imposed in 1931 are removed, as it is expected they might be in the near future, the duty on dyestuffs will also be done away with. Pending the removal of the duty altogether, I am to draw Government's attention to the desirability of making a reduction in the existing rate of duty in view of the fact that the revenue expectations from this duty have been greatly exceeded during the last two years. The amount of duty collected from dyestuffs in the year 1933-34 amounted to 23.64 lakhs of rupees against a budget estimate of 20 lakhs, and in the first nine months of the current financial year, the duty collected amounted to 24.74 lakhs against a budget estimate for the whole year of about 24 lakhs. For the full financial year 1934-35, my Committee estimate that the duty collected by Government from dyestuffs will not be less than 30 lakhs, and may be as much as 32 lakhs. The increase in revenue from the duty on dyes is largely due to the fact that Indian Mills have during the last few years been rapidly increasing their consumption of superior fast to bleaching dyestuffs, and my Committee maintain that, in these circumstances, there is every justification for an immediate reduction in the duty on dyestuffs in view of the fact that the original revenue anticipations of the Government of India from this duty would be exceeded even if the duty were reduced at once to $7\frac{1}{2}$ per cent. Such a reduction would be of considerable benefit to the Industry, and my Committee trust that the Government of India will see their way to accept their suggestions which would in no way jeopardise the finances of the Government of India.

APPENDIX 33.

IMPORT DUTY ON SODIUM HYDROSULPHITE.

Copy of letter No. 184/55, dated the 19th January 1935, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.

Subject :—DUTY ON HYDROSULPHITE.

I am directed to draw the attention of the Government of India to the desirability of placing a more equitable rate of duty on Sodium Hydrosulphite. Sodium Hydrosulphite is a very important reducing agent which must be used with a very large range of vat dyes in the process of dyeing fast to bleach colours. As Government are probably aware, there has been a very considerable development in the use of superior classes of dyestuffs during the last few years with the result that the Cotton Mill Industry's consumption of Sodium Hydrosulphite has increased enormously, and during the current year the average monthly importations have exceeded 100 tons.

On 12th July 1927, a deputation from the Association which waited on the then Member in charge and Secretary respectively, Department of Commerce, stated a case for an extension of the list of mill stores, dyes and chemicals which should be admitted free of duty. The case put forward by the Association was favourably received, but the difficulty was pointed out of making any extensive additions to the free list already published in the Government of India's Press *Communique* dated the 7th June 1927.

Subsequently two written representations were submitted to the Government of India as a result of which the original free list was extended so as to include in the duty-free list bobbins and pirns, picking sticks, roller skins and roller cloth, clearer cloth and sizing flannel (*vide* Government of India Press *Communique* dated the 16th August 1927). Government then stated that they had already endeavoured to word the definition of the dyes to be exempted from duty in such a way as to cover all coal tar derivatives used in dyeing.

The Government of India in arriving at their decision mentioned in the Press *Communique* dated the 16th August, were apparently guided by the statement made by the Tariff Board (Noyce Committee), "that it was unnecessary to do more than grant the concession to those stores which are used on an appreciable scale." At that time the use of fast dyes by the Industry had not assumed the proportions which it has to-day, and the Sodium Hydrosulphite then being imported was mainly utilized as a bleaching agent in preference to bleaching powder over which it has certain advantages when very fine goods are being dealt with. (It may be noted that ordinary bleaching powder was included in the duty-free list at this time.) As far as we are able to ascertain the total importations of Sodium Hydrosulphite into India did not then exceed 400 tons *per annum*, of which probably 200 tons were used for bleaching purposes and about 200 tons were used for vat dyeing. No further representations were, therefore, made by the Industry for the remission of the duty on Hydrosulphite in the years immediately following 1927.

In 1927, Sodium Hydrosulphite paid duty at the rate of 15 per cent. *ad valorem*, being classed for duty purposes under the head "Chemicals, Drugs and Medicines, All Sorts, not otherwise specified." In March 1931, the duty on chemicals was raised to 20 per cent. and in September 1931, to 25 per cent. With the advent of the differential duties following the Ottawa Agreement, the duty was again revised and was fixed at 20 per cent. *ad valorem* in the case of imports from the United Kingdom and 30 per cent. *ad valorem* in the case of imports from foreign countries. The *ad valorem* rates of duty have remained at the above figures up to the present time. Since 1st January 1934, a tariff valuation has been specified for Sodium Hydrosulphite. The position, therefore, as it affects the cotton industry of the country, is that a very important item of mill stores which, had it been used in large quantities in 1927, would have been freed from import duty, is now paying duty at the high rates of 20 per cent. or 30 per cent. according to the source from which it is imported. It is, therefore, maintained that a very strong case exists for the total remission of the duties, or if this is impossible owing to the undertakings given by the Government of India to His Majesty's Government in the United Kingdom under the Ottawa Agreement, for the entire remission of the duty in the case of imports from the United Kingdom and for a reduction of the duty to 10 per cent. *ad valorem* in the case of foreign countries.

The revenue which the Government of India would have to sacrifice would not in any event exceed two lakhs of rupees, and in this connection, it may be pointed out that the greater portion of the present revenue has been purely adventitious, having been brought about by the developments which have taken place in the use of expensive, fast to bleaching colours.

My Association trusts that, in view of the aforementioned considerations, the Government of India will agree to take appropriate action for assisting the Industry by remitting the duty on Sodium Hydrosulphite altogether, or reducing it to the limits permissible under the terms of the Ottawa Agreement.

APPENDIX 34.

IMPORT DUTY ON AUTOMATIC WEAVERS KNOTTERS.

Copy of letter No. 2235/181, dated the 16th September 1935, from the Association to the Secretary to the Government of India, Department of Finance (Central Board of Revenue) Simla.

IMPORT DUTY ON AUTOMATIC WEAVERS KNOTTERS.

I am directed by the Committee of the Millowners' Association to address you in regard to the rate of import duty levied on Automatic Weavers Knotters.

These Knotters are at present assessed under Tariff Item No. 77, i.e., "Instruments, apparatus and appliances other than electrical, all sorts not otherwise specified including photographic, scientific, philosophical and surgical," at the rate of 20 per cent. or 30 per cent. *ad valorem* according as they are of British or foreign manufacture. They are essential to the working of power operated cone winding machinery, and so far as my Committee are aware, are not capable of being used for any other purpose. These Knotters are, in view of the saving in time and labour accruing from their use, becoming increasingly popular in the Indian Textile Industry. Following on the publication of the Tariff Board's (Noyce Committee) Report in 1927, Government allowed the free importation of practically all textile machinery and mill stores used exclusively by the Cotton Textile Industry, and the omission of Automatic Weavers Knotters from this list was probably due to the fact that they were not then as widely used as they are at present. Under these circumstances, my Committee maintain that the article in question should, for purposes of assessment, be classified under Item 72(1)—"Textile machinery and apparatus by whatever power operated," and assessed at the rate of 10 per cent. *ad valorem* only.

For ready reference, I enclose herewith a black and white design of the Knotter in question.

Extract from page 47 of the "Gazette of India" Part I, dated 18th January 1936.

FINANCE DEPARTMENT (CENTRAL REVENUES).

NOTIFICATIONS.

CUSTOMS.

New Delhi, the 18th January 1936.

No. 6.—In exercise of the powers conferred by section 23 of the Sea Customs Act, 1878 (VIII of 1878), the Governor-General in Council is pleased to direct that the following further amendment shall be made in the Notification of the Government of India in the Finance Department (Central Revenues), No. 33-Customs, dated the 22nd June 1935, namely:—

In the said Notification, in Schedule I—Import Duties under the head "A—General" after item (6) of entry 28-C the following item shall be inserted, namely:—

"(7) Automatic, weaver, knotters."

For ready reference, the relevant portion from Finance Department (Central Revenues) Notification No. 33, dated the 22nd June 1935, is reproduced below:—

No. 33.—In exercise of the powers conferred by section 23 of the Sea Customs Act, 1878 (VIII of 1878), and in supersession of the Notification of the Government of India in

the Finance Department (Central Revenues), No. 14-Customs, dated the 9th of April 1932, and of all Notifications amending the same, the Governor-General in Council is pleased to exempt goods of any description specified in column 2 of Schedule I or Schedule II hereto annexed, subject to the limitations or conditions, if any, specified in the corresponding entry in column 3 of the applicable schedule, from so much of the customs duties of import or export respectively leviable thereon as is specified in the corresponding entry of column 4 of the applicable schedule.

SCHEDULE I—IMPORT DUTIES.

Serial No. 1.	Goods. 2.	Limitations and Conditions. 3.	Extent of exemption. 4.
	* *	* *	
		A—General.	
		(Entry added by Finance Department (Central Revenues), Notification, No. 45 of 7th September, 1935.)	
28-C.	The following textile machinery and apparatus :— (1) Ground stamping machines. (2) Automatic Hand repeating machines. (3) Pattern cutting machines. (4) Cloth analysis machines. (5) Hand card punches. (6) Jacquard harness linen cards.		So much of the duty as is in excess of 10 per cent. <i>ad valorem</i> .

APPENDIX 35.

BOMBAY WEIGHTS AND MEASURES ACT, 1932.

Copy of letter No. 2257/143, dated 16th September 1935, from the Association to the Director of Industries, Bombay.

Further to the discussions which you had with the Special Sub-Committee of this Association on Friday, the 6th instant, I am directed to set forth below for the consideration of Government certain difficulties arising out of the practical working of the above Act so far as the Cotton Textile Industry is concerned.

2. At the outset, I am to reiterate that this memorandum is not the outcome of any desire on the part of this Association to circumvent the provisions of the Bombay Weights and Measures Act, but is the result of an honest desire on our part to co-operate with Government in achieving the objects which the legislation has in view, without unduly disorganizing certain existing trade practices in the Industry.

3. The first point which my Committee desire to raise arises from Section 35 of the Bombay Weights and Measures Act which reads as under :—

“Whoever in selling any article by weight or measure delivers or causes to be delivered to the purchaser a less weight or measure than is purported to be sold shall, on conviction, be punishable with fine which may extend to rupees three hundred.”

In other words, every piece of cloth in a consignment on which a particular length is stamped must measure at least that length.

4. As Government are aware, Section 12 (1) of the Indian Merchandise Marks Act of 1889 requires all piecegoods "such as are ordinarily sold by length or by the piece," which have been manufactured in premises which are a factory as defined in the Indian Factories Act "shall not be removed from those premises without having conspicuously stamped in English numerals on each piece the length thereof in standard yards, or in standard yards and a fraction of such yard according to the real length of the piece." Section 16 of the Merchandise Marks Act empowers the Governor-General *inter alia* to issue instructions regarding the limits of variation as regards number, quantity, measure, gauge or weight which are to be recognized by Criminal Courts as permissible in the case of any goods. The instructions subsequently issued by Government under the provisions of this Section (*vide* Notification No. 1474, dated the 13th November 1891, as subsequently amended) lays down that "a trade description of length stamped on grey, white, or coloured cotton piecegoods shall not be deemed to be false in a material respect, unless—

(a) where a single length is stamped, the description exceeds the actual length by more than—

4 inches in pieces stamped as 10 yards long and under ;
5 inches in pieces stamped as above 10 yards and up to 23 yards long ;
7 inches in pieces stamped as above 23 yards and up to 36 yards long ;
9 inches in pieces stamped as above 36 yards and up to 47 yards long ;
18 inches in pieces stamped as above 47 yards long ;

Provided that the average length of the goods in question shall not be less than the stamped length ;

(b) where a maximum and a minimum length are stamped, the described maximum length is greater than the actual length by more than—

9 inches in piecegoods under 36 yards long ;
18 inches in piecegoods 36 yards and up to 47 yards long ;
36 inches in piecegoods above 47 yards long ;

Provided that no such piece shall measure less than the minimum stamped length."

5. According to the above notification, no question of prosecuting a manufacturer would arise for stamping "36 yards" on each piece in a bale containing say 60 pieces even if certain pieces were 7" less, *provided* (a) the shortage was made good in other pieces, and (b) the total length of all pieces in the bale was $36 \times 60 = 2,160$ yards, or the average length per piece in the bale was not less than the stamped length. The Cotton Textile Industry, so far as my Committee are aware, has been working up to these provisions, which appear to be fair and reasonable both from the point of view of the manufacturer and his customer.

6. Since the introduction of the Bombay Weights and Measures Act, however, several enquiries have been received by the Association as to whether, so far as the Cotton Textile Industry is concerned, mills should adhere to the provisions of the Indian Merchandise Marks Act summarised in paragraphs 4 and 5 or to Section 35 of the Bombay Weights and Measures Act referred to in paragraph 3 of this letter. It has further been suggested that the words "notwithstanding anything contained in any law for the time being in force, etc." contained in Section 12 of the Bombay Weights and Measures Act imply that the provisions of the Bombay Act of 1932 supersede the provisions of the Indian Merchandise Marks Act so far as stamping is concerned. My Committee are not sure whether this interpretation is correct, and would, therefore, greatly appreciate an authoritative expression of opinion from Government on this point.

7. Assuming, however, that it is correct, then the question arises as to whether, and if so how far the Cotton Textile Industry can work up to the strict letter of Section 35 of the Bombay Weights and Measures Act. As has already been pointed out, the Bombay Act of 1932 does not permit of any variation whatsoever between the "stamped" length and the

“real” length of the piece. That is to say, the Section requires every piece to be stamped with its actual length. This, my Committee submit, would be an impracticable proposition for reasons among which may be specified :

- (a) Cloth is usually folded on folding machines, and the length of each piece is stamped according to the length recorded by the machine, and this may vary by small amounts from piece to piece, and from lengths ascertained by hand measurement.
- (b) The stamping of “actual” length by yard stick measurement of each piece would necessitate the engagement of a special staff and would mean considerable expenditure to the mills, and in addition, no two persons would measure the same piece of cloth alike.

Under these circumstances, my Committee are of opinion that even if Government consider that the provisions of the Bombay Weights and Measures Act supersede those of the Indian Merchandise Marks Act, there exists a case for a continuation of the latitude laid down in the instructions issued under the 1889 Act.

8. *Departmental Weights and Measures.*—The second point which my Committee desire to bring to the notice of Government arises from Section 14 (1) of the Bombay Weights and Measures Act which reads as below :—

“No weight or measure shall be used for trade unless it has been verified or re-verified in the prescribed manner and stamped by an inspector with a stamp of verification under this Act.”

The term “trade” used in the above Section includes a dealing or a contract, and weights and measures used for all dealings or contracts for any work to be done or goods to be sold or delivered by weight or measure, appear to be covered by this Section. As Government are aware, there are certain weights and measures used in mills for purely departmental or administrative purposes. These weights and measures have no direct or indirect connection with any “dealing or contract” of the mills with third parties or with the payment of wages to the operatives, and their use, as will be seen from the following examples, is not confined to any particular department or departments :—

<i>Department.</i>	<i>Nature of the use of weights and measures used for departmental purposes.</i>
Blow-room and Card-room.	The laps are weighed on a special scale just to ensure their regularity. The workers in these departments are on a fixed pay basis.
Spinning Department.	Warp and weft yarns are weighed on platform scales for purposes of mill records only. The warp is usually sent to the winding department and weft to the weaving department for subsequent processes. The operatives of the Spinning Department are on a fixed pay basis.

In this department certain small scales are also used for testing purposes in order to find out whether the ring frames are producing the correct count of yarn. When the counts being produced do not conform to calculated count, the necessary gearing adjustments are made. This is the sole purpose of the testing process.

*Department.**Nature of the use of weights and measures used for departmental purposes.*

- Folding Department.** In this department, the cloth received from the calendering department is weighed for mill records only. This weight has nothing to do with the payment of wages to the operatives either in this department or in any other department.
- Dyeing Department and Store House.** Various scales and measures are used for the purpose of issuing stores like lubricating oils, flour, starch and other sizing, bleaching and dyeing materials to departments. Such scales and measures merely serve to assist mills in keeping a check on their stores' consumption.

9. The above is by no means an exhaustive list, but it serves to illustrate the purposes served by the various departmental weights and measures. The extension of the Bombay Weights and Measures Act to such weights and measures would necessitate their verification and stamping, and in view of the considerable numbers of such weights and measures employed in mills, the expenditure involved in their verification and stamping would involve a considerable outlay without any compensating benefits. Under these circumstances, my Committee strongly feel that Government should issue orders for exempting inter-departmental weights and measures from stamping and verification. They can very well understand Government's desire for satisfactory safeguards to ensure that weights and measures exempted from the provisions of the Act are not subsequently used for trade purposes. My Committee do not anticipate any difficulties in this connection, and they propose, in the event of an exemption being forthcoming from Government in respect of such weights and measures, to issue instructions to all mills to assist the Inspectors in identifying all departmental weights and measures.

10. *Remuneration of Labour.*—The next point which my Committee desire to urge also arises from Section 12 of the Act. There are certain departments in mills like the Inter, Slubbing, Roving and Reeling Departments where the operatives are remunerated on a piecework system on the basis of so many pies per hank. In the Weaving Department, operatives are paid on the *nominal* weight of cloth. In the Bundling and Baling Departments, the remuneration in certain instances is on the basis of so many annas per bale. My Committee would greatly appreciate an expression of opinion from Government as to whether these forms of remuneration would be legal under the Bombay Weights and Measures Act. It may be explained in this connection that the hank referred to above measures 840 yards. As regards the payment of weavers, it may be pointed out that the "nominal" weight of the cloth is practically the weight of the yarn contained in the cloth, which can be easily estimated. The "nominal" weight is less than the "real" weight of the cloth which comes out from the loom, for, before going to the loom, a certain amount of size is put on the warp to facilitate weaving. The amount of size put in varies in different cloths; for example, a cloth which is to be sold in the grey state may be heavily sized whereas the same cloth, if it is to be bleached or dyed in the mill, would contain practically no size at all, with the result that two pieces of cloth of similar construction would show different "real" weights when they come out of the loom. Under the circumstances, payment by real weight would give a higher earning to an operative producing grey cloth for sale, whereas it would give a lesser earning to an operative who produces the same number of pieces of the cloth for bleaching or dyeing purposes. Apart from this anomaly, the present basis of payment has been in existence for several years, and any radical departure from it would lead to a considerable amount of disorganization in the Industry and discontent among labour. My Committee therefore maintain that, so far as the Cotton Textile Industry is concerned, the present practice of wage calculation must continue to be legal under the Act.

11. Before concluding this letter, I am to thank you once again for your courtesy in affording my Sub-Committee an opportunity of meeting you and explaining their difficulties. I am also to express the hope that, in view of the fact that the Bombay Act has already come into force, it will be possible for Government to send an early reply to this communication.

APPENDIX 36.

PROPOSED AMENDMENT OF THE INDIAN MERCHANDISE MARKS ACT.

Copy of letter No. C.738, dated the 15th July 1935, from the Indian Chamber of Commerce, Calcutta, to the Association.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to forward to you herewith a copy of a letter addressed by the Committee of the Chamber to the Government of India in regard to the efforts made by Japanese Manufacturers to smuggle Japanese cloth into India and pass it off as "Indian" in the Indian market. The Committee trust that you will be good enough to support the representation made by the Chamber for taking suitable measures for preventing such malpractices in the interest of indigenous industry.

Copy of letter No. C. 723, dated the 13th July 1935, from the Indian Chamber of Commerce, Calcutta, to the Secretary to the Government of India, Commerce Department, Simla.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to invite your attention to the *enclosed copies of correspondence which have passed between the Mohini Mills, Ltd., Kushtia-Bazar P. O., Bengal, and the Osaka Manufacturers' Association in connection with the import of piecegoods and yarn from Japan. You will find from the correspondence an unequivocal offer made to the Mohini Mills by the Osaka Manufacturers' Association to buy Japanese goods, stamp the same with the name of the Mohini Mills, and sell them as goods of Mohini Mills' Manufacture. The Osaka Association undertake to stamp the words "Made in Japan" in such a manner that they may be easily removed. A more shameless suggestion can hardly be conceived. It is an open invitation to defraud the consumers. While the Mohini Mills are to be congratulated for not falling a prey to the temptation offered, there is no doubt that the reprehensible practice is followed by the manufacturers in Japan and by some importers in India. The Committee of the Chamber need hardly emphasize on the Government that, apart from the moral turpitude involved, the practice of Japanese goods being imported with a view to their being manipulated and passed off as being of Indian manufacture constitutes a great harm to the indigenous industry.

On a previous occasion, the Committee of the Chamber invited the attention of the Collector of Customs to two pieces of cloth on which the country of origin was not shown, and requested him to take necessary steps to put a stop to this undesirable practice by making it compulsory to stamp the country of origin on imports of all cloth. The Committee now find the necessity of urging upon the Government of India the desirability of making suitable amendments in the Merchandise Marks Act in order to prevent the possibility of piecegoods being smuggled in India, and of fraud being practised upon the unwary public. The Committee trust that the Government of India will take prompt action in regard to this matter as it is of vital interest to the indigenous Cotton Textile Industry.

The Committee may, in conclusion, add that it is not easy to secure evidence of the character that has fortunately come to light and the Committee hope that the Government will be pleased to treat the matter with the seriousness and promptness that it obviously deserves.

* Not Printed.

Copy of letter No. 1942/164, dated the 13th August 1935, from the Association to the Secretary to the Government of India, Department of Commerce, Simla.

The attention of my Committee has been drawn to certain letters which have been exchanged between the Mohini Mills, Ltd., Bengal, and the Osaka Manufacturers' Association, Osaka, Japan. Representations have already been made to Government by several mill-owners' associations and chambers of commerce for an amendment of the law so as to ensure that the name of the "country of origin" is stamped on all imported goods. In this connection, attention is also invited to the following clause in the Agreement entered into by this Association with representatives of the United Kingdom Cotton Industry:—

"That for the purpose of preserving the integrity and reputation of the piecegoods trade, it is agreed that the name of the 'country of origin' of the goods should be stamped in clear and bold letters on the face of all cotton, silk and artificial silk piecegoods manufactured by either country for sale in India."

2. My Committee consider that the principle recognized in the clause quoted above should be the subject-matter of a legislative enactment, and I am to suggest that the Indian Merchandise Marks Act be amended so as to provide for the country of origin being stamped on all imported goods.

3. In this connection my Committee desire to draw the attention of Government to a Bill which was introduced in the Legislative Assembly by Mr. K. C. Neogy in February 1928. The main principles visualised in this Bill, so far as the marking of imported goods is concerned, appear to have been supported by all chambers of commerce and associations in this country, and the Honourable Sir George Rainy in speaking on the measure pointed out: "it is easy enough to enforce any regulations that are thought suitable at the time of importation because we have our Customs staff to see to it." But nothing further was done as the Bill subsequently lapsed. My Committee, therefore, earnestly request that Government should reconsider the whole question again and amend the Indian Merchandise Marks Act on the lines suggested in paragraph 2 of this letter.

APPENDIX 37.

PROPOSED AMENDMENT OF THE INDIAN PATENTS AND DESIGNS ACT.

Copy of letter No. I. C. 257/1045, dated the 13th February 1935, from the Director of Industries, Bombay, to the Association.

Subject:—INDIAN PATENTS AND DESIGNS ACT, 1911: PROPOSED AMENDMENT OF—TO PREVENT PIRACY OF REGISTERED DESIGNS.

I have to state that the Government of India have in the course of the last two years received several representations from Chambers of Commerce in India complaining of the pirating of British piecegoods designs by certain foreign manufacturers and suggesting amendments of the law to put a stop to the import of goods bearing pirated designs. The Government of India have been furnished with evidence of the prevalence of the evil and if the law as it at present stands is inadequate to prevent the abuse they would be prepared to consider favourably any reasonable amendment for this purpose.

2. Some of the remedies suggested were unacceptable to the Government of India for various reasons and the proposal now before them is that embodied in the following resolution passed by the Associated Chambers of Commerce at their meeting on the 8th January 1934:—

"This Association desires again to impress upon the Government of India the necessity of giving the Customs Authorities powers under section 18 (d) of the Sea Customs Act to detain goods the designs on which are infringements of designs coming within the purview of the Indian Patents and Designs Act."

This proposal is open to no objection of principle for it would merely extend to registered designs provisions which already apply to copyright. Moreover while it would involve a certain amount of additional work on the Customs authorities its enforcement would give rise to no serious practical difficulties and would probably prove fairly effective for its purpose. If it were adopted the most convenient method of carrying it into effect would be by inserting in the Indian Patents and Designs Act, 1911, a provision on the lines of section 6 of the Indian Copyright Act, 1914.

3. The question on which the Government of India would be glad to have the opinion of commercial bodies is whether it is necessary or desirable to amend the law in the manner suggested or whether the remedy already provided by the Patents and Designs Act should be regarded as adequate. Section 53 of that Act enables the proprietor of a registered design to secure an injunction and damages up to a sum of Rs. 1,000 in respect of any one design. The Government of India understand that a number of suits have been brought under this section, particularly in Calcutta, and the smaller use made of it in the West of India is probably due to the fact that up to 1932 the Customs Authorities at Bombay and Karachi read the Merchandise Marks Act as enabling them to detain goods bearing pirated designs and acted accordingly.

The main difficulty in the way of a more general use of the section is that as soon as the goods pass the Customs they are liable to be cut into lengths, so that a consignment cannot be identified and piracy of designs cannot be brought home to the persons responsible.

The Government of India have desired to obtain the opinions of the various commercial bodies on the proposals and suggestions outlined above. I have, therefore, to request you kindly to favour me with the views of your Association on the proposals and suggestions of the Government of India which may reach this office by the 15th March 1935 at the latest.

Copy of letter No. 720/82, dated the 28th March 1935, from the Association to the Director of Industries, Bombay.

Subject :—INDIAN PATENTS AND DESIGNS ACT, 1911. PROPOSED AMENDMENT OF—TO PREVENT PIRACY OF REGISTERED DESIGNS.

I am in receipt of your letter No. I. C. 257/1045, dated the 13th February 1935, in which the views of the Association have been requested in regard to the amendments which might be adopted to stop the importation of goods bearing pirated designs. It is stated in your letter that the Government of India have been furnished with evidence of the prevalence of the evil and that if the law as it stands at present is inadequate to prevent the abuse they would be prepared to consider favourably any reasonable amendment for this purpose. The proposal which is at present before the Government of India is one made by the Associated Chambers of Commerce at their meeting held on 9th January 1934, namely, that the customs authorities should have the power to detain goods, the designs of which are infringements of designs coming within the purview of the Indian Patents and Designs Act. It is stated in your letter that this proposal is open to no objection of principle inasmuch as it would merely extend to registered designs provisions which already apply to copyrights and that its enforcement would give rise to no serious practical difficulties. You further suggest that if the proposal were adopted, the most convenient method of carrying it into effect would be by inserting in the Indian Patents and Designs Act of 1911 a provision on the lines of Section 6 of the Indian Copyright Act of 1914. Your letter then goes on to ask whether, in the opinion of the Association, it is necessary to amend the law in the manner suggested, or whether the remedy already provided in the Patents and Designs Act should be regarded as adequate.

My Committee have carefully considered this question from the point of view of textile designs, and after full consideration they have come to the conclusion that an amendment of the Patents and Designs Act on the lines suggested by the Associated Chambers of Commerce would only be desirable if that Act and the Rules thereunder were considerably modified.

According to the Patents and Designs Act of 1911, the term " design " has been defined as below :—

" ' Design ' means only the features of shape, configuration, pattern or ornament applied to any article by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye ; but does not include any mode or principle of construction or anything which is in substance a mere mechanical device, and does not include any trade mark as defined in Section 478, or property mark as defined in Section 479 of the Indian Penal Code."

The procedure at present followed in regard to the registration is that an application has to be made to the Controller of Patents and Designs accompanied by a detailed description and 4 copies of the tracing, sketch or photograph of the design in question. The Controller may, if he thinks fit, refuse registration of the design, but so far as my Committee are aware, specifications of textile designs are not published, and registration does not, therefore, ensure that such designs, as are accepted for registration, are necessarily originals. In the case of designs applied to textiles which are freely produced by hundreds of manufacturers in India and abroad, it is, in the opinion of my Committee, essential to ensure that such designs as are registered under the Patents and Designs Act are not copies or close imitations of designs already used by other manufacturers on similar goods. This could only be ensured by giving greater publicity to the specification of the design for which registration has been applied for, and greater opportunities to the trade for examining the actual specifications deposited with the Controller of Patents at the time of application. In the case of designs for use on textile fabrics, my Committee are of opinion that registration should only be permitted after giving mills in this country adequate opportunities of satisfying themselves that the design proposed to be registered is not an infringement of a design already in use. This could possibly be achieved by depositing at the headquarters of the various textile manufacturers' associations and chambers of commerce in this country reproductions—if necessary in colours—of the designs for which registration has been sought. Owners of existing designs similar in character should then be given an opportunity during a period of two months to object to the registration ; all objections would, of course, have to be accompanied by specimens of the existing designs which form the basis of objection. If an objection were, in the opinion of the Controller of Patents and Designs, a good one, then registration would be refused ; if no good objections were received, then only the designs should be registered under the Act. If provisions of the type described in the letter were incorporated in the Act, I am directed to say that my Association would have no objection to a further amendment of the Act on the lines suggested in paragraph 2 of your letter.

APPENDIX 38.

PROPOSED AMENDMENT OF THE INDIAN COMPANIES ACT.

Copy of letter No. 24(2) Tr. (C.L.), dated the 25th November 1935, from the Secretary to the Government of India, Department of Commerce, New Delhi, to the Association.

I am directed to address you with reference to the procedure to be followed in regard to the amendment of the Indian Companies Act. The Government of India have now had the opportunity of considering the Report of Mr. Sen, the Officer on Special Duty, who was appointed to examine the various criticisms of the existing law and suggestions for its amendment which have from time to time been advanced. Certain tentative conclusions have been reached and the Government of India have decided that these should be the subject of examination by a small informal Committee under the Chairmanship of the Honourable the Law Member.

2. I am to ask, therefore, that your Association be good enough to nominate one of its members to serve on this Committee. The Committee will assemble about the middle of January and it is expected that its deliberations will be concluded early in February.

3. I am further to say that on receipt of information as to the gentleman who will represent your Association, a copy of the relevant papers will be forwarded in good time for his previous information and study.

Copy of letter No. 3174/140, dated the 5th December 1935, 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. 24 (2) Tr. (C.L.), dated the 25th November 1935, in which the procedure to be followed in regard to the amendment of the Indian Companies Act is explained. In reply, I am to say that the Chairman of my Association, Sir Joseph Kay, Kt., will represent the Association on the informal Committee which the Government of India propose to appoint.

APPENDIX 39.

APPOINTMENT OF TRADE COMMISSIONERS.

Copy of letter No. 1320/132, dated the 29th May 1935, from the Association to the Secretary to the Government of India, Commerce Department, Simla.

Subject :—APPOINTMENT OF TRADE COMMISSIONERS AT DURBAN, MOMBASA AND ALEXANDRIA.

I am directed to invite your attention to my letter No. 1068/50, dated the 31st May 1929, which conveyed to Government my Committee's views on certain recommendations made by the Indian Trade Mission in 1928 for developing India's export trade in cotton piecegoods and yarns with the countries which they visited. The mission particularly recommended the appointment of Trade Commissioners at Durban, Mombasa and Alexandria. These recommendations were endorsed by my Committee, and in view of the urgent need of these appointments from the point of view of the development of India's export trade, the Committee expressed the hope that it would be possible for Government to give effect to them at a very early date.

2. The general question of Trade Commissioners' appointments appears to have been discussed by the Standing Committee of the Department of Commerce in 1930, and the Association was given a chance of expressing its views unofficially to Government in regard to certain matters connected therewith. Nothing further was heard until in replying to Mr. B. Das, Sir George Rainy stated in the Legislative Assembly on 21st January 1930, that a detailed scheme for the appointment of Trade Commissioners in Europe, the Near East and Africa had been prepared, and it was expected that a final decision would be reached at an early date. Shortly after the above announcement, His Excellency the Viceroy in a speech at the Annual Meeting of the Federation of Indian Chambers of Commerce, stated "it will interest you to know that a scheme has been prepared for the appointment of Indian Trade Commissioners at Hamburg, Milan, New York, Durban, Mombasa and Alexandria, as a corollary to the establishment of Trade Commissioners in Africa and the Near East." Subsequently, a Trade Commissioner was appointed in Hamburg in March 1931 and another in Milan in February 1934. As regards the appointments suggested by the Indian Trade Mission, in reply to a question by Mr. H. P. Mody on 27th September 1932, the Honourable the Commerce Member said, "The further progress of the scheme has of necessity been held up owing to financial stringency." Proceeding, the Honourable Member pointed out "Government are anxious to proceed with the sanctioned scheme for the appointment of Indian Trade Commissioners, but owing to the necessity for economy in public expenditure

they are reluctantly compelled to postpone the making of further appointments of this nature at present." It is significant that the Honourable Member referred to a 'sanctioned' scheme; in other words, read in conjunction with the announcement made by His Excellency the Viceroy, the statement made by the Honourable the Commerce Member appeared to indicate that a scheme for the appointment of Trade Commissioners as suggested by the Trade Mission had already been approved by Government, but that its introduction was being held up on account of financial stringency.

3. The question of appointing Trade Commissioners as suggested by the Indian Trade Mission was again the subject-matter of a supplementary question put by Mr. Mody early in February this year, and in the course of his reply, the Honourable the Commerce Member, Sir Joseph Bhore, made the statement that that particular office (probably meaning thereby one of the three appointments suggested in Africa by the Indian Trade Mission), was not under contemplation at present. When pressed for information as to the appointments which Government had in view, the Honourable Member said that Government had not yet gone into the matter and that they "would probably consult the commercial opinion" before coming to a final conclusion. It was further pointed out by Sir Joseph Bhore that he was not aware that Government were definitely bound to appoint a Trade Commissioner for the African market, or that Government had given any specific guarantee on that point.

4. My Committee regret that so far as they are aware, the statements made by the Honourable Member, Sir Joseph Bhore, are not entirely in accordance with the facts, for, in the first instance, as pointed out in para 2, tentative decisions had been made when the Viceroy made his speech in February 1930, or at any rate, when Sir George Rainy answered Mr. Mody's question in the Assembly in September 1932.

5. Sir Joseph Bhore had indicated the probability of Government consulting commercial opinion in the matter of these appointments. In this connection my Committee desire to point out that the Honourable Member made a mistake, for even a month or two before he made this statement, the Associated Chambers of Commerce and the Federation of Indian Chambers of Commerce appear to have been consulted in the matter to the exclusion of this Association which my Committee consider was extremely unfortunate. The active participation of this Association in the Mission's labours, in the opinion of my Committee, clearly justifies the assumption that they would also be consulted before decisions of far-reaching importance were taken by Government on the Mission's recommendations and it is a matter of regret to my Committee that when the Honourable Member was assuring the House that commercial opinion would be consulted, Government had already done so without giving this Association an opportunity of stating its case.

6. My Committee would also respectfully submit that the Honourable Sir Joseph Bhore was not quite correct when he said that Government had given no undertaking whatsoever in this matter. The suggestion regarding the appointment of Trade Commissioners in certain countries was first made by this Association, before the Noyce Committee in 1926, and that Committee recommended that the number of Trade Commissioners should in the first instance be reduced to two (at Basrah and Mombasa) and further suggested that other countries should be surveyed by a small Trade Mission before further appointments were considered. In a letter dated the 18th August 1927 to the Association, the Government of India expressed their anxiety to co-operate in every way possible in the development of an export trade on which, they recognized, the future welfare of the Bombay textile industry largely depended. At the same time Government stated that they were not satisfied, on the information available to them, that Basrah and Mombasa were the places at which appointment of Trade Commissioners would be indisputably repaying, but before coming to any definite decision on the desirability of appointments at those or other places, they preferred that the whole question should be more closely examined. The implications underlying Government's decision to appoint the Trade Mission suggested by the first Textile Tariff Board, and the subsequent invitation to the Association to co-operate in the investigation were no longer in doubt, and so far as my Committee are concerned, they have always understood that by undertaking this enquiry Government took upon themselves the onus of eventually giving substantial effect to its recommendations.

7. These matters are probably only of academic interest now, but what my Committee desire to urge for the immediate consideration of Government is that the appointments suggested by the Indian Trade Mission should no longer be delayed. I enclose herewith a statement showing India's export trade in cotton piecegoods with those countries which the Mission desired to bring under the control of the Trade Commissioners they suggested. The figures show that India has lost ground in every market. It may be that Government are inclined to the view that the drop in trade is due to economic factors, but from the advance made by Japan in each of these countries during the last two years it would appear that under the careful supervision of a Trade Commissioner, beneficial results might accrue to the Indian Textile Industry. My Committee agree that quotas and trade restrictions, which have recently become a feature of the fiscal policy of certain foreign countries, might have been partly responsible for India losing ground in the Persian, African and Near Eastern markets, but it is pointed out that the presence of an accredited trade representative of India in these territories would go a long way towards securing more favourable trading conditions for India and more satisfactory and complete information as to the trading position and trading prospects. In the circumstances of the case, my Committee urge that Government should make the appointments suggested by the Indian Trade Mission at a very early date.

STATEMENT SHOWING THE EXPORTS OF INDIAN MILL-MADE PIECEGOODS DURING THE LAST FIVE YEARS

(Quantities in Yards).

Countries.	1920-30.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.
To Aden and Depend-						
encies	4,006,882	3,178,186	2,521,739	1,414,557	1,597,867	2,076,541
Bahrain Islands ..	4,186,120	2,433,586	4,475,392	2,004,473	3,142,115	3,153,939
Union of South Africa ..	974,596	382,188	283,100	168,614	182,898	80,873
Zanzibar and Pomba ..	4,768,008	3,149,008	2,423,425	1,287,088	686,769	1,679,938
Kenya Colony ..	7,869,442	5,043,145	4,067,968	2,917,253	2,205,749	
Tanganyika Territory ..	11,188,457	10,124,285	10,699,142	5,724,053	2,820,590	1,851,380
Anglo-Egyptian Sudan	2,816,638	2,198,710	1,680,028	1,829,914	2,079,955	1,466,875
Syria	103,940	1,800	3,000	..	..	..
Smyrna	100,000	..	..	..	..	..
Muskat Territory and						
Trucial Oman ..	2,757,485	2,121,487	3,187,303	1,394,753	2,062,212	..
Other Native States						
in Arabia	5,204,912	2,671,864	2,990,742	2,749,541	2,320,853	..
Iraq	12,944,859	8,899,136	12,771,814	5,066,727	4,749,536	2,391,515
Persia	18,859,232	13,424,660	20,177,820	8,020,187	8,940,425	6,036,378
Portuguese East Africa	7,877,058	6,619,626	6,131,317	5,980,928	2,807,930	2,793,539
Total: all countries ..	133,426,472	97,715,014	104,636,423	66,442,033	56,461,148	57,692,943

APPENDIX 40.

PROPOSED ESTABLISHMENT OF AN ALL-INDIA INDUSTRIAL COUNCIL.

Copy of letter dated the 29th January 1935, from the Employers' Federation of India, Bombay, to the Association.

Subject:—REGARDING A PROPOSAL FOR AN INDUSTRIAL COUNCIL FOR INDIA TO CO-ORDINATE LABOUR LEGISLATION AND ITS ADMINISTRATION.

The President desires me to forward for your opinion a draft of a representation which he proposes should be made to the Government of India on behalf of the Federation. He requests to be informed of the opinion of your organization on this matter, and also if they suggest any changes in the draft.

Copy of draft representation regarding the proposal for an Industrial Council.

Under the proposals contained in the Report of the Joint Parliamentary Committee on Indian Constitutional Reforms with regard to labour legislation, the Federal Government, the Provinces and the States are to have concurrent powers ; but the States have the option of not accepting the subject as federal and thereby retaining their existing rights of independent legislation. If these provisions were to be enacted into law, it would become necessary to consider the question of establishing an Industrial Council for India, such as was recommended by the Royal Commission on Labour, or some machinery of a like character, for the purpose of co-ordinating labour legislation and its administration all over the country. Very serious anomalies would otherwise arise, and it is the object of this representation to point them out and to emphasize the need for the establishment of a co-ordinating authority.

2. The Royal Commission on Labour considered the question whether labour legislation should be central or provincial. They stated that the arguments in favour of keeping labour legislation in the hands of a central legislature were strong and that without uniformity, at any rate in respect of the main principles, sound legislation was extremely difficult to secure. The position in India in respect of international labour relations was also another ground for keeping labour legislation as a central subject. The Commission found that, while it was not suggested generally that provincial legislatures should be deprived of any power which they possessed, the view was widely held that legislation on an all-India scale was ordinarily preferable. They also mentioned that the reports of the All-Parties Conference of 1928, of the Indian Statutory Commission, and of the Federal Structure Sub-Committee of the First Round Table Conference all contemplated central legislation in respect of labour. The Commission were not averse, however, to the provinces retaining the power of legislation in labour matters, as they believed that there was a wide field for provincial legislation. In particular, there were valuable possibilities of experiments in new directions on a provincial scale.

3. With regard to administration of labour legislation, the Commission stated that difficulties would arise in future if the arrangement now existing,—according to which the administration of all labour legislation is carried out by provincial governments, while policy is controlled from the centre,—were to continue. The Central Government's power of superintendence, direction and control had been of assistance in preventing the value of legislation being impaired by lax administration. As regards the future, however, the Commission thought it impossible to assume that this arrangement will remain unaffected. Questions would also arise in respect of financial burdens of administration cast on the provinces on account of central legislation.

4. The Commission, therefore, concluded that on the merits of the whole case, legislative powers in respect of labour questions should continue with the central legislature, and that the provincial legislatures should also have power to legislate, but that labour legislation undertaken in the provinces should not be allowed to impair or infringe the legislation of the centre or its administration. With regard to the Indian States, the Commission emphasized the increasing economic unity of India and the need for co-ordination in labour matters. Though a number of States had copied various Acts of the Indian Legislature, except in rare cases their labour laws were substantially behind those of British India.

5. The Commission stated that considerations with which they were not competent to deal, and which referred to constitutional questions, might make it inadvisable or impossible to move in the direction of centralization or even to maintain centralized administration where that was existing. They, therefore, proposed the establishment of special machinery which should go a considerable distance towards meeting the difficulty, and would co-ordinate both labour legislation and its administration all over the country. They recommended an Industrial Council to be constituted by statute and composed of representatives of employers, of labour, and of the provincial and the central governments and the States, which would meet regularly in conference. The organization was to be

sufficiently large to ensure the adequate representation of the various interests involved. The determination of actual size and composition of the Council would, however, require further examination.

6. As stated at the beginning of this representation, under the proposals in the Report of the Joint Parliamentary Committee, labour and other industrial legislation consisting mainly of the regulation of mines, factories, employers' liability, workmen's compensation, trade unions, welfare of labour, industrial disputes, etc., has been placed in the "Concurrent" list, that is to say, both the Federal Legislature as also the Provincial Legislatures and the States will have the right of legislating in most matters concerning industries and labour. As between the Federal Legislature and the Provinces, it is proposed that Federal legislation should supersede Provincial legislation in matters coming under the "Concurrent" list, unless the Provincial legislation has been reserved for the assent of the Governor-General or has so received his assent. So far as the States are concerned, the effect of the proposals is that while an Act of the Federal Legislature, regulating any subject which has been accepted by a State as a Federal subject, will apply to that State as it will apply to a Province, yet this jurisdiction of the Federal Legislature in the States will not be exclusive. It is competent for the States to exercise their existing powers of legislation in relation to such a subject, with a proviso that in case of conflict between a State law and a Federal law on a subject accepted by the State as federal, the latter will prevail. It is open, however, to the States not to accept industrial or labour legislation as a Federal subject, or accept it subject to reservations. It is to be feared, therefore, that as a result of these proposals, not only will the States be able to enjoy immunity from any legislation that is passed and made applicable to British India, but the Provinces themselves will be able to enact their own legislation, so that industries in one Province may be subjected to legislative handicaps which do not exist in other Provinces, in addition to the prevailing inequalities between British India and the different States. As an instance, certain Provinces have passed legislation to grant maternity benefits—Bombay and Central Provinces, and lately Madras,—while the other Provinces and the States have made no such provision. Moreover, the development of industries is not a Federal subject, unless any particular industry is so declared.

7. As regards the administration of labour legislation, it is proposed that it should be a function of the Provinces and the States. In the case of the Provinces, in addition to the moral obligation on them to ensure the proper enforcement of federal laws in the "Concurrent" field, it is provided that the Governor-General should have powers in the last resort to issue instructions for this purpose, or Federal officers may enforce laws in so far as these laws themselves require it. But in the case of States, even where they accept the subject as Federal, there would be only a moral obligation, and the Governor-General may issue general directions for enforcement by the State, or Federal officers may act under the Federal law, but subject to the limitations imposed by the Rulers' Instruments of Accession.

8. The difficulties and anomalies enumerated above, and which are inherent in any scheme which vests concurrent powers of labour legislation and its administration, make it absolutely necessary that some machinery should be devised for ensuring more or less uniform conditions throughout the country. My Federation otherwise foresee considerable inequalities arising which would either retard the pace of industrial legislation generally or impose handicaps on certain units of the Federation of India from which others would be free. Such a state of affairs would be very undesirable and in the opinion of my Federation, Government should take early steps to deal with the whole problem. If necessary, a conference might be convened of the leading industrial and labour interests with a view to determining the exact constitution and function of the co-ordinating authority which is suggested in this representation.

Copy of letter No. 628/95 dated the 22nd March 1935, from the Association to the Secretary, Employers' Federation of India, Bombay.

I am directed to acknowledge the receipt of your letter, dated the 29th January 1935, requesting my Committee to express an opinion on a proposal to establish an Industrial Council for India to co-ordinate labour legislation and its administration in this country.

My Committee have carefully considered the draft of the letter which it is proposed to submit to the Government of India on behalf of the Federation. Reference is made in the representation to the necessity of achieving uniformity in the Labour Laws of the country, which is supported by the findings of the Labour Commission and the Joint Parliamentary Committee. There cannot be any difference of opinion between the Federation and the Association on this issue, but certain members of my Committee are not quite certain whether the institution of an Industrial Council on the lines set forth in the Whitley Commission's Report would solve the problem. They feel that with Government dealing direct with the proposed organization, special bodies which are at present constituted on a provincial or sectional basis and which at present effectively voice the views of their respective constituents on new labour legislation will probably be ignored, while the new organization might not for some time to come, at any rate, be in a position to take their place quite so effectively. It is, therefore, thought that whatever the nature of constitution of the proposed Council, the rights of individual associations to present their views direct to Government in any matter affecting its constituents should be recognized and respected.

If as a result of your representation, Government agree to convene a meeting of the interests concerned, my Association would be represented by Sir Joseph Kay, Kt., and Mr. V. N. Chandavarkar.

APPENDIX 41.

MARITIME TECHNICAL TRIPARTITE MEETING, 1935.

Copy of letter dated the 20th August 1935, from the Employers' Federation of India, Bombay, to the Association.

Subject:—REGARDING MARITIME TECHNICAL MEETING AT GENEVA, NOVEMBER 1935.

I am enclosing for your information a copy of a letter from the Government of India with regard to the appointment of the employers' delegate to the Maritime Technical Tripartite Meeting to be held at Geneva in November 1935. The Government of India suggest that they should nominate Mr. D. S. Erulkar—(who is now on the Governing Body of the International Labour Office and will be in Geneva about the time of the meeting)—to represent the employers' interests, as it would be convenient from the point of view of economy of expenses and time. If, however, our Federation desires to suggest instead the name of any other gentleman who will be in Europe about that time or is prepared to defray his own travelling expenses, Government may consider such a suggestion.

The President considers that the Government's suggestion to appoint Mr. Erulkar might be accepted. If you have any views to the contrary, however, could you kindly send me your proposal as early as possible, as the Government of India desire an early reply.

Copy of letter dated the 27th August 1935, from the Offg. Deputy Secretary to the Government of India, to the Secretary, Employers' Federation of India.

Subject:—MARITIME TECHNICAL TRIPARTITE MEETING TO BE HELD AT GENEVA IN NOVEMBER 1935.

I am directed to say that the Government of India have been informed that a Technical Tripartite Meeting will be convened by the International Labour Office at Geneva on November 25th, 1935, to discuss the questions of (1) manning, in conjunction with the question of hours of work on board-ship, and (2) holidays with pay for seamen. The meeting will not constitute a session of the International Labour Conference and the Government

of India understand that it will take no final decisions : its object is to prepare the ground for a maritime session of the International Labour Conference which it is proposed to hold in 1936.

2. The Government of India have been invited to nominate delegates to represent Government, shipowners' and seamen's interests. They consider that Indian representation is desirable, and having regard to the character of the meeting and the importance of avoiding unnecessary expenditure they propose to ask the three Indian representatives on the Governing Body (all of whom will be in Europe at or about that time) to attend the Conference. These are Sir Bhupendra Mitra, Mr. D. S. Erulkar and Mr. N. M. Joshi.

3. The Government of India would be glad, however, to have the views of your Federation on the proposed nomination of Mr. Erulkar and if your Federation desires to suggest instead the name of any other gentleman who will be in Europe or is prepared to defray his own travelling expenses to and from India, they will be prepared to consider such a suggestion. They are willing to pay travelling expenses and allowances, on the scale admissible to non-official delegates to the International Labour Conference, to the representatives, but no payment will be made on account of the journey from India to Geneva or back.

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Copy of letter No. 2403/195 dated the 1st October 1935, from the Association to the Secretary, Employers' Federation of India, Bombay.

Subject:—REGARDING MARITIME TECHNICAL MEETING AT GENEVA, NOVEMBER 1935.

I am directed to acknowledge the receipt of your letter, dated the 29th August 1935, on the above subject and to say that while my Committee have no objection to Mr. D. S. Erulkar being appointed to represent employers of India at the forthcoming Maritime Technical Meeting in Geneva, they consider that the attention of the Government should be drawn by the Federation to what appears to be an unwarranted departure from the method of election of employers' delegates to International Conferences laid down in the Peace Treaty of Versailles. The procedure laid down in that Treaty requires that the employers' delegate to the conference should ordinarily be elected by employers' organizations wherever such organizations exist, and the question as to whether the person is residing in India or not, should not, in the opinion of my Committee, be allowed to influence Government to the extent of departing from the method of election laid down in the Treaty.

APPENDIX 42.

REVISION OF THE INDO-TURKISH *MODUS VIVENDI*.

Copy of letter No. 287/39, dated the 29th January 1935, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.

Subject:—INDO-TURKISH COMMERCIAL CONVENTION.

The attention of my Association has been drawn to the underquoted extract from the Indian Trade Journal, dated the 27th December 1934 :—

“ Information has been received that the Turkish Government have denounced the Indo-Turkish *Modus Vivendi* (*vide* the Indian Trade Journal of the 30th October 1930, page 239) as from the 22nd November 1934. The denunciation will take effect from the 22nd February 1935.”

As Government are probably aware, the most-favoured-nation treatment which has been guaranteed to India under this treaty has been of considerable value to the Cotton Spinning Industry of this country. The cotton yarn export figures for the last five years show that Turkey has been one of the few yarn export markets upon which India has been able to retain her hold despite the growth of the spinning industry in Turkey and competition of other countries. We are informed that spinners in India have expended considerable sums in developing the yarn market in Turkey and in the Levant generally. My Association would, therefore, like to be assured that the Government of India will make every endeavour to ensure that any new treaty which may be entered into with Turkey will make provision for the continuance of the most-favoured-nation treatment in respect of Indian cotton yarns and piecegoods.

Copy of letter No. 1281/39, dated the 27th May 1935, from the Association to the Secretary to the Government of India, Department of Commerce, Simla.

Subject :—INDO-TURKISH "MODUS VIVENDI."

I am directed to invite your attention to my letter No. 287/39, dated the 29th January 1935, and to your telegram No. 108 (3) dated the 18th March 1935, on the above subject and to request that this Association may kindly be informed as to whether the Government of India have taken up the matter with the Turkish Government, and if so, whether a fresh Convention between the two countries may be expected in the near future.

The reason for this enquiry is that my Committee are perturbed over a press message which apparently emanated from the Calcutta Correspondent of the *Times of India* from which it would appear that Government consider that the absence of a treaty could not make any material difference to India.

Copy of letter No. 108 (3)/II-T. & E., dated the 15th June 1935, from the Deputy Secretary to the Government of India, Department of Commerce, to the Association.

Subject :—INDO-TURKISH COMMERCIAL RELATIONS.

With reference to the correspondence ending with your letter No. 1281/39, dated the 27th May 1935, on the subject mentioned above, I am directed to say that the question of commercial relations between India and Turkey is still under the consideration of the Government of India.

APPENDIX 43.

PROPOSED INTRODUCTION OF THE BRITISH POST OFFICE PROCEDURE FOR COUNTING WORDS IN THE INDIAN INLAND TELEGRAM SERVICE.

Copy of letter No. T-319/35, dated the 31st October 1935, from the Director-General of Posts and Telegraphs, New Delhi, to the Association.

Subject :—QUESTION OF INTRODUCTION OF THE BRITISH POST OFFICE PROCEDURE FOR COUNTING WORDS IN THE INDIAN INLAND TELEGRAPH SERVICE.

I am directed to inform you that it is proposed to revise the existing rules for counting unintelligible combinations of letters in Indian inland telegrams so as to bring these rules into line with the rules in force in Great Britain, France, Germany, Italy, the dominions and the majority of other countries in the world. From clauses 377 and 386 of the Indian Post and Telegraph Guide, it will be observed that the existing method of counting such

combinations is different according as the telegrams are written in code language or in cipher. In the case of code telegrams, there are certain restrictions as to the formation of code words in the text, which must not also exceed 10 letters in length while in the case of cipher telegrams the words may be formed in any way and they are counted at 5 letters to a word.

2. With a view to adopting a uniform method of counting unintelligible combinations of letters in all telegrams whether in code language or cipher, and in view of the fact that representations have been received from some commercial bodies for modifying the existing complicated rules relating to code language telegrams and abolishing the requirement that vowels must be included in certain proportions in each group of letters, it has been proposed to introduce in the Indian inland service the same procedure as in the British Post Office, viz., that all words not forming part of a modern language and all combinations of letters not forming recognizable words should be counted at 5 letters to a word in the text of a telegram. This implies that unintelligible combinations of letters without any restriction as to their formation, would be accepted in inland telegrams irrespective of their length and would be counted for the purpose of the charge at one word for each 5 letters plus one word for any excess. It would also mean that *en clair* words of 15 letters would be accepted as one word in all telegrams, which under the present rules are counted at 10 letters to a word in the case of mixed telegrams containing both plain language words and code words.

3. I am to add that the Director-General would be obliged to have the opinion of your Association in the matter.

Copy of letter No. 70/214, dated the 8th January 1936, from the Association to the Director-General of Posts and Telegraphs, New Delhi.

Subject:—QUESTION OF INTRODUCTION OF THE BRITISH POST OFFICE PROCEDURE FOR COUNTING WORDS IN THE INDIAN INLAND TELEGRAPH SERVICE.

I am directed to acknowledge receipt of your letter, dated the 31st October 1935, in which you request my Committee to express an opinion on a proposal to introduce in the Indian inland telegraph service the same procedure as in the British Post Office, for counting unintelligible combinations of letters in all telegrams whether in code language or cipher, namely, that all words not forming any part of a modern language and all combinations of letters not forming recognizable words should be counted as 5 letters to a word in the text of a telegram.

The proposal has been very carefully considered by my Committee. In this connection it will be remembered that a somewhat similar proposal was made by the Post and Telegraph Department in the year 1931, but it is understood that, in view of the opposition which it evoked nothing further was done. At present, code telegrams are accepted at 10 letters to a word, and according to the proposal now under consideration, every 5 letters would be counted as one word, as is being done in the case of foreign telegrams. This would mean that the number of words in the text of a coded telegram would be doubled, and the cost would be proportionately increased if there were no corresponding reduction in the basic charge. For instance, a telegram of 8 words, consisting of two words in the address and 6 words in the text will, under the proposed rules, be counted as 14 words, i.e., 2 words in the address and 12 words in the text, and will be charged accordingly. In other words, as against 9 annas under the present system, the public would be called upon to pay 15 annas for the same telegram under the revised rules, or an increase of 66 per cent. on the present charge. This percentage will go on increasing in proportion to the number of words in the text of the telegram. The effect of this increase in the case of commercial offices sending a large number of telegrams every month will be obvious from the following example:—

In the month of August 1935, one of the members of the Association issued about 1,200 ten-letter words including addresses. These converted to five-letter words would mean about 2,100 words or an approximate increase of 75 per cent. and this can safely be taken as the average extra charge that would have to be incurred by commercial firms if the proposed

change was given effect to without a corresponding reduction in the basic charge. On the other hand, the advantages which are expected to accrue as a result of the introduction of the change appear to be negligible. The removal of the restrictions regarding the inclusion of a minimum number of vowels in each word is not likely to benefit the commercial and industrial community inasmuch as all the code books in use at the moment already provide for this contingency, and one seldom comes across a word without the requisite number of vowels.

In this connection, my Committee also desire to draw your attention to the fact that when the five-letter system was first introduced for foreign telegrams, the basic charge per word was also reduced by about 40 per cent., but your circular under reference does not appear to contemplate any such reduction. Under the circumstances, and in view of the increase in telegraph charges which would follow on the adoption of the proposal if it was not accompanied by a reduction in basic rates, my Committee regret they have to oppose the measure. If, however, a corresponding reduction in the basic charge per word is contemplated by Government, my Committee would be very pleased to reconsider their decision.

APPENDIX 44.

ISSUE OF UNSTAMPED GOODS FROM MILLS.

Copy of letter dated the 20th February 1935, from the Bombay Dyeing and Manufacturing Company Limited, to the Association.

It has come to our knowledge that certain prominent mills in Bombay, in order to avoid the trouble under our Trade Mark Registration Rules, have now formed a practice of selling to certain merchants bales of goods without any stamping on the pieces at all. The merchants take these goods either to the Bombay market, or Karachi or Calcutt markets, and there get the goods stamped with infringements of trade marks of other mill

It is surprising to us that Members of our Association should take part in such practice. Therefore, it is necessary for our Committee to consider the advisability of taking steps to inform all Members of the malpractice going on just now owing to their selling goods without any stamp on the pieces, and the sooner this practice of selling goods without the mark of the mill is abolished and all Members deal honourably with each other, the better will it be for the honour of our Association and its Members.

Will you please therefore put this letter before our Committee at an early date. We will be able to give you, if called upon, the names of the Mills who are Members of our Association. The Committee, should, we think, request all Members not to pass out any goods without the stamp of the mill concerned.

Copy of Circular No. 611/85 dated the 19th March 1935, from the Association to all Members of the Association.

I am directed to enclose herewith for your information copy of a letter received from Messrs. The Bombay Dyeing and Manufacturing Co., Ltd.

The points made by Messrs. The Bombay Dyeing and Manufacturing Company Limited, have been endorsed by certain other members also and the Committee would therefore, greatly appreciate it if individual members would kindly issue instructions to the departments concerned to ensure that all cloth pieces delivered out of the mill premises are stamped with the name of the mill at which they are manufactured, and also ensure that trade marks and/or trade numbers under which the goods are marketed are also affixed.

APPENDIX 45.

 COMPILATION OF STOCKS OF CLOTH HELD BY INDIAN MILLS.

Copy of letter No. 1973/162, dated the 12th December 1933, from the Association to the Director-General of Commercial Intelligence and Statistics, Calcutta.

The attention of my Committee has been drawn to the "Detailed Statement of the quantity and description of Woven Goods in Stock with Mills on the 1st April," published in Table 9 on pages 33-34 of the Monthly Statistics of Spinning and Weaving in Indian Mills for the month of May 1933. They understand that the statement in question is compiled from figures submitted by individual mills on a voluntary basis, and would greatly appreciate it if Government would undertake the compilation and publication of such statistics at more frequent intervals. At the outset, a quarterly census of stocks, for instance, at the end of March, June, September and December might, it is thought, be instituted. With greater experience, however, it may eventually be possible to reduce the intervals and make it monthly. In the opinion of my Committee, the utility of periodic enquiries of the nature suggested would be greatly enhanced if the information could be supplemented by an indication as to the spindle and loom activity during the period covered in each case.

This Association has for the last ten years been collecting such statistics at monthly intervals from mills in the City and Island of Bombay, and I enclose herewith for ready reference a consolidated statement showing the stock position and spindle and loom activity from month to month in 1932, which will give you an indication as to the nature of the information which my Committee consider would be of greatest value.

In any event, my Committee would be glad if you would examine these proposals and let them know at an early date whether, and if so, to what extent it would be possible for you to accede to their wishes.

Copy of letter No. 3213-P, dated the 13th February 1934, from the Director-General of Commercial Intelligence and Statistics, Calcutta, to the Association.

Subject :—COLLECTION AND PUBLICATION OF STATISTICS RELATING TO STOCKS OF BOTH YARN AND WOVEN GOODS OF INDIAN MILLS AT MORE FREQUENT INTERVALS.

In continuation of my letter No. 17278, dated the 23rd December 1933, on the above subject, I write to inform you that the suggestions contained in your letter No. 1973/162, dated the 12th December 1933, have been considered. The usefulness of the additional statistics proposed by you is undoubtedly not open to question but I should like to point out the difficulties which confront this Department in undertaking compilation and publication of the required statistics.

- (i) The present statistics regarding stocks of *woven goods only* are obtained from about 350 mills on a purely voluntary basis. Frequent reminders have to be sent to a good many of these mills to ensure any returns being received at all. The result of this is that the work of the compilation relating to any one period is unnecessarily held up and this Department has no control over the length of time during which this difficulty would occur. The utility of these statistics is thus to a certain extent already diminished at the outset and any addition to the information that is supplied and obtained in this manner is likely still further to reduce its usefulness.

- (ii) For statistics of stocks of both yarn and woven goods in the form required by your Committee, returns supplied by about 400 mills will have to be tabulated under three different sub-heads relating to stocks already sold but delivery not taken, stocks unsold and stocks uncleared. Details of similar nature regarding looms and spindles will have to be compiled and it is estimated that the work done at present in this Department on this subject would be increased six-fold by this compilation.
- (iii) The work connected with the collection and consolidation of the present figures for nearly half of the mills is done by the Collector of Customs, Bombay, and the acceptance of these proposals will involve a good deal of additional work for that officer also.
- (iv) The mills that are supplying these statistics on a limited scale at present are not under any statutory obligation to do so and they often get restive over demands for information from this Department. A request for further details is not likely to be met with prompt compliance.

2. Under the circumstances, it would not be possible for this Department to accede to the wishes of your Committee but I may suggest that some of the difficulties at least could only be surmounted by concerted action on the part of the trade itself. If this Department could be assured of prompt, punctual and accurate returns, a good deal of unnecessary work such as sending reminders, asking for verification, holding up an issue indefinitely, etc., could be avoided.

Copy of letter No. 2492/199, dated the 10th October 1935, from the Association to the Director-General of Commercial Intelligence and Statistics, Calcutta.

Subject :—COLLECTION AND PUBLICATION OF STATISTICS RELATING TO STOCKS OF BOTH YARN AND WOVEN GOODS OF INDIAN MILLS.

I am directed to refer you to the previous correspondence on the above subject resting with this office letter No. 519/162, dated the 6th March 1934.

In view of the undoubted utility of the statistics in question to the Indian Cotton Mill Industry, I am now to enquire whether it would be possible for the Department of Commercial Intelligence and Statistics to undertake the compilation and publication of the figures of stocks of various kinds of goods, held by each of the Provinces for which detailed production figures are at present available, instead of, or in conjunction with, the present All-India stocks of the main lines of grey and bleached, coloured and other goods produced in Cotton Mills.

Copy of letter No. 16845, dated the 9th November 1935, from the Director-General of Commercial Intelligence and Statistics, Calcutta, to the Association.

Subject :—COLLECTION AND PUBLICATION OF STATISTICS RELATING TO STOCKS OF BOTH YARN AND WOVEN GOODS OF INDIAN MILLS.

With reference to your letter No. 2492/199, dated the 10th October 1935, on the above subject, I write to inform you that your suggestion as regards the publication of the figures of stocks of various kinds of woven goods by provinces will be considered along with the scheme of the revision of the classification of cotton goods now under consideration.

APPENDIX 46.

ANTI-MALARIAL MEASURES IN BOMBAY MILLS.

Copy of letter No. 621/93, dated the 19th March 1935, from the Association to the Executive Health Officer, Bombay Municipality, Bombay.

The attention of my Committee has been drawn to the report of the proceedings of the meeting of the Malaria Advisory Committee, Bombay, held under the presidency of His Worship the Mayor on Tuesday, the 29th January 1935. Reference is made to a letter No. 140/M-13B(32), dated the 26th January 1935, from the Director, Malaria Survey of India, drawing the attention of the Malaria Advisory Committee to "the failure of millowners to rectify defective gutters." In the course of the discussions which followed, you appear to have promised to write to the individual Mill Agents asking them to rectify the defects and to advise the Malaria Officer to put Sal Hyool in the roof gutters when the water accumulated in them would be likely to breed. Subsequently notices were also served on certain mills.

In this connection, I am desired to point out that roof gutters are only temporary breeding places which form during the rainy season, and that they derive their supply of eggs from mosquitoes, bred out of permanent breeding places situated in areas outside mill compounds within the jurisdiction of the Municipality. These permanent breeding places appear to be well known and recognized, and so long as they are allowed to exist, outbreaks of malaria of greater or less intensity are inevitable. It is, therefore, considered that an attempt should be made to eliminate all permanent breeding places in the City as suggested by Major Covell in his report.

It may, in this connection, also be pointed out that while most mills have, on their part and at great expense, eliminated all permanent sources of breeding in their compounds, it would appear the Municipality have not yet completely eliminated the permanent breeding places outside the mill compounds. Roofs of mill buildings are built in conformity with the building by-laws, and to regrade and to make roof gutters accessible, would mean further sums of money which mills cannot afford in these days. Under the circumstances, it is thought that the Municipality should in the first instance concentrate in effectively dealing with areas adjoining mill premises which are permanent breeding places. If these areas are successfully dealt with, then the question of treating roof gutters of mills would not probably arise.

Copy of letter No. H M-3295, dated the 27th June 1935, from the Executive Health Officer, Bombay Municipality, to the Association.

With reference to your letter No. 621-93, dated the 19th March 1935, I have to say that the permanent breeding places which you mention mostly consist of storage cisterns and wells. All the cisterns in the City have been made mosquito-proof since the last few years and they can therefore be eliminated as being sources of mosquito-breeding. A large number of wells have been covered hermetically and made mosquito-proof except in F and G Wards and in those which are still open mosquito breeding is controlled by the use of larvioidal fish. I am mentioning these potential breeding places as you are referring to the permanent breeding places situated in areas outside mill compounds within the jurisdiction of the Municipality. I must add that in spite of the fact that most of these permanent potential breeding places have been rendered mosquito-proof it has been found that some become defective or non-mosquito-proof and mosquito breeding takes place in them. With a view to control mosquito breeding in such containers or places, a large staff is maintained by the Municipality for the periodical inspection of all the potential breeding places, permanent or temporary. For the effective control of mosquito breeding it is necessary not only to control the permanent breeding places but the temporary ones as well; for there is a possibility of the mosquitoes breeding in any of the permanent breeding places which may become temporarily non-mosquito-proof as mentioned above, travelling to temporary breeding places.

There are, no doubt many other permanent potential breeding places such as open drains, low lands holding water, and others, but they are of no consequence from the malaria point of view as they breed mostly the culicine mosquitoes. In this connection, I may point out that the anti-malarial measures in Bombay are directed against a particular variety of Anopheles mosquitoes which is responsible for carrying malaria. It is known as A. Stephensi. Anti-Malarial measures in any place have to be adopted according to the breeding habits of the malaria carrying anophelines. A. Stephensi prefers to lay her eggs in clean water and therefore any place or container which holds such water is a potential breeding place, either permanent or temporary, of this mosquito. Among the various breeding places roof gutters have been found to breed A. Stephensi. Roof gutters are also very well known as being the favourable breeding places of Stegomyia mosquitoes particularly the Yellow Fever carrying species. By roof gutters I do not mean those of the mills only but I am referring to those of the private buildings also. Whenever defects in roof gutters of houses are noticed the owners are called upon to rectify the same so as to prevent accumulation of water. The difference between these roof gutters and those in the mill premises is that in the latter case an inspection is impossible owing to the inaccessibility of many of the roof gutters.

As regards your observation that the mosquitoes bred out of permanent breeding places situated in areas within the jurisdiction of the Municipality lay their eggs in the roof gutters of mills which become temporary breeding places, I can only point out that it is extremely difficult to say from which particular source a mosquito came to lay eggs in the roof gutters of a particular mill. Mosquitoes from Municipal area may travel to mills and it may also be *vice versa*.

In conclusion I have to say that most of the permanent potential breeding places of the Malaria carrying Anopheline, i.e., A. Stephensi outside mill compounds have been eliminated and your statement that the Municipality has not done so may perhaps be correct in so far as the other breeding places of mosquitoes which are of no importance from Malaria point of view, are concerned.

Mosquito breeding can be controlled but not so easily eradicated by anti-mosquito measures with the efforts not only of the Municipality but with the co-operation of all concerned. I am therefore looking forward to such co-operation from your Association in regard to the control of mosquito breeding in the roof gutters of mills.

Copy of letter No. 1561-93, dated the 1st July 1935, from the Association to the Executive Health Officer, Bombay Municipality, Bombay.

I am directed to acknowledge the receipt of your letter No. HM-3295, dated the 27th June 1935, dealing with the measures taken by the Municipality for the control of mosquito breeding in the City.

APPENDIX 47.

ABSENTEEISM AMONG WORKERS ON THE NIGHT SHIFT IN BOMBAY COTTON MILLS.

Copy of letter No. 1387, dated the 11th May 1935, from the Labour Office to the Association.

It has been suggested that night work is injurious to the health of the workers and that there is consequently much absenteeism among the workers on night shift. I therefore propose to make a preliminary enquiry into the matter by sending round the Lady Investigators of the Labour Office to all the mills working night shift with a view to finding out by an examination of their muster-rolls as to whether there is any *prima facie* case for a detailed enquiry into the matter. I would be glad if you will kindly request all the member mills working double shift to offer all assistance they can to the Investigators whilst the preliminary enquiries are being made.

Copy of Circular No. 1148/115, dated the 14th May 1935, from the Association to all Members of the Association in the City and Island of Bombay.

We have been informed that the Labour Office contemplate making a preliminary enquiry regarding the extent of absenteeism among workers on night shift in cotton mills. The Commissioner of Labour proposes to send round his Lady Investigators to the various mills working night shift for the purpose of this enquiry and has asked the Association's assistance in the matter. The Chairman, therefore, recommends that mills should grant such facilities as are necessary to the Lady Investigators of the Labour Office during their visits to the mills for the purpose of this enquiry.

APPENDIX 48.

DEPARTMENT OF COMMERCIAL INTELLIGENCE AND STATISTICS, INDIA.

INDIAN CUSTOMS TARIFF.

(Also issued as a Supplement to the "Indian Trade Journal", of 19th December, 1935.)

Reprint of the First and Second Schedules appended to the Indian Tariff Act, XXXII of 1934 (as in operation on 1st January, 1936), showing the rates of Customs duties levied on goods imported into, and exported from, British India, together with the tariff values fixed for certain articles under Government of India, Commerce Department, Notification No. 73-T. (15)/35, dated the 16th December, 1935, for the purpose of assessment of Customs duties during the twelve months January to December, 1936.

Note 1.—In the expression *ad valorem* used in these Schedules the reference is to "real value" as defined in section 30 of the Sea Customs Act, 1878 (VIII of 1878), unless an article has a tariff value assigned to it.

Note 2.—Tariff-valued heads are based on the ordinary trade description of each article and cover all reduced grades and mixtures unless they are separately provided for.

Note 3.—In this publication, the expression "standard rate of duty" means, in the case of articles liable to preferential rates of duty, the standard rate of duty as opposed to the preferential rate, and in the case of other articles, the ordinary rate of duty.

Note 4.—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.

THE FIRST SCHEDULE.—IMPORT TARIFF.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION I.						
LIVE ANIMALS AND PRODUCTS OF THE ANIMAL KINGDOM.						
1	ANIMALS, LIVING, all sorts .. .. .	....	Free .. .. .	....	....	....
2	BACON AND HAM, not canned or bottled ..	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
3	FISH, not otherwise specified	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
3(1)	FISH, SALTED, wet	Revenue ..	Such rate or rates of duty not exceeding one rupee per Indian maund of 82·27 lbs. avoirdupois weight as the Governor-General in Council may, by notification in the <i>Gazette of India</i> , from time to time prescribe,* plus 6½ per cent. <i>ad valorem</i>.	....	....	....
Tariff values—		Per Indian maund.				
	(i) Soormal	Rs. a. p.				
	(ii) Bangdas	8 8 0				
	(iii) All other sorts	3 0 0				
		8 0 0				

* The rate on the 1st January, 1936, and until further notice is annas 9½ per maund of 82·27 lbs. avoird.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION I—<i>contd.</i>						
LIVE ANIMALS AND PRODUCTS OF THE ANIMAL KINGDOM—<i>contd.</i>						
3(2)	FISH, SALTED, dry*	Preferential revenue.	Rs. 3-8 per cwt. ..	....	Re. 1-8 per cwt.	....
3(3)	FISH, UNSALTED, dry	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff value—</i>	Per cwt.				
	Bomlas	Rs. a. p.				
			5 14 0			
3(4)	FISHMAWS, including stingally and soalle and sharkfins.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>	Per cwt.				
		Rs. a. p.				
	Sharkfins, loose or in bundles, from Arabian and Persian Gulf ports.		3 0 0			
		Per lb.				
	Sharkfins, loose or in bundles, from China and the Straits.		2 2 0			
4	BUTTER, CHEESE AND GHEE	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>	Per lb.				
		Rs. a. p.				
	Butter		0 13 0			
		Per cwt.				
	Ghee		35 0 0			
4(1)	MILK, condensed or preserved, including milk cream.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
5	CORAL, unprepared	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
5(1)	COWRIES AND SHELLS	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>	Per cwt.				
		Rs. a. p.				
	Cowries, basar, common		3 12 0			
	Cowries, yellow, superior quality.		4 8 0			
	Cowries, Maldiva		15 0 0			
	Cowries, Sankhli		88 0 0			
	Mother-of-pearl, nacre		20 0 0			
	Nakhla		98 0 0			
		Per lb.				
	Tortoise-shell		6 0 0			
	Tortoise-shell, nakh		1 14 0			
5(2)	IVORY, unmanufactured	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff value—</i>	Per cwt.				
		Rs. a. p.				
	Elephants' grinders		300 0 0			
	Elephants' tusks (other than hollows, centres, and points), each exceeding 20 lb. in weight, and hollows, centres, and points each weighing 10 lb. and over.		375 0 0			
	Elephants' tusks (other than hollows, centres, and points), not less than 10 lb. and not exceeding 20 lb. each and hollows, centres, and points each weighing less than 10 lb.		215 0 0			
	Elephants' tusks each less than 10 lb. (other than hollows, centres, and points).		275 0 0			
	Sea-cow or moye teeth, each not less than 4 lb.		220 0 0			
	Sea-cow or moye teeth, each not less than 3 lb. and under 4 lb.		130 0 0			
	Sea-cow or moye teeth, each less than 3 lb.					
SECTION II.						
PRODUCTS OF THE VEGETABLE KINGDOM.						
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.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff Values—</i>	Per cwt.				
		Rs. a. p.				
	Garlic		6 12 0			
	Potatoes		5 0 0			

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, fish, salted dry are liable to duty at the rate of 15 per cent. *ad valorem* (Standard) and 5 per cent. *ad valorem* (preferential).

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION II—<i>contd.</i>						
PRODUCTS OF THE VEGETABLE KINGDOM—<i>contd.</i>						
8	FRUITS, all sorts, fresh, dried, salted or preserved, not otherwise specified.*	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>	Per cwt. Rs. s. p.				
	Almonds—					
	(i) Without Shell	38 0 0				
	(ii) In the shell—					
	(a) Iranian Kagazi	40 4 0				
	(b) Iranian other than Kagazi.	8 0 0				
	(c) Other than Iranian—					
	(1) Soft shell including half-hand shell qualities such as Prunella and the like.	31 0 0				
	(2) Hard shell	18 0 0				
	Cashew or cajoo kernels, not skinned.	20 0 0				
	Coconuts, Straits, Dutch East Indies and Siam—	Per thousand.				
	Husked	55 0 0				
	Unhusked	67 8 0				
	Coconuts, Ceylon	45 0 0				
	Coconuts, other except Maldives.	30 0 0				
	Dates, dry, in bags—	Per cwt.				
	Kapkapa, Shekra Chharra, Chupchap, Sakina, Brami and similar qualities.	7 4 0				
	All other qualities	4 0 0				
	Dates, wet, in bags, baskets and bundles.	8 4 0				
	Dates, wet, packed in other receptacles.	7 0 0				
	Figs, dried, Iranian	5 0 0				
	Figs, dried, European	12 4 0				
	Pistachio nuts	31 0 0				
	Raisins, red, Persian Gulf ..	8 4 0				
8(1)	CURRENTS	Revenue	Rs. 1-4 per cwt.	....	....	....
9	COFFEE not otherwise specified..	Preferential revenue.	25 per cent. <i>ad valorem</i> plus one anna per pound.	....	25 per cent. <i>ad valorem</i>.	....
9(1)	COFFEE, canned or bottled	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....
9(2)	TEA	Preferential revenue.	Five annas per pound.	....	Three annas per pound.	....
9(3)	THE FOLLOWING SPICES, namely:—					
	Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper—					
	(a) Unground	Preferential revenue.	45 per cent. <i>ad valorem</i>.	....	37½ per cent. <i>ad valorem</i>.	....
	(b) Ground	Revenue	37½ per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>	Per cwt. Rs. s. p.				
	Spices, unground—					
	Cardamom seed	55 0 0				
	Cassia lignea	9 10 0				
	Cloves	34 0 0				
	Cloves, exhausted	7 4 0				
	Cloves stems and heads	4 8 0				
	Nutmegs	Per lb. 0 4 9				
	Nutmegs in shell	0 3 0				
	Pepper, black	Per cwt. 18 8 0				
	Pepper, long	20 0 0				
	Pepper, white	37 8 0				
9(4)	THE FOLLOWING UNGROUND SPICES, namely:—					
	Chillies, ginger and mace	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	22½ per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>	Per cwt. Rs. s. p.				
	Ginger, dry, unground	20 0 0				
	Mace, unground	Per lb. 0 14 0				
9(5)	BETELNUTS	Preferential revenue.	45 per cent. <i>ad valorem</i>.	....	37½ per cent. <i>ad valorem</i>.	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, raw cashew-nuts are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.	
				The United Kingdom.	A British Colony.		
SECTION II—<i>contd.</i>							
PRODUCTS OF THE VEGETABLE KINGDOM—<i>contd.</i>							
	<i>Tariff values—</i>	Per cwt. Rs. a. p.					
	Betelnuts (husked)—						
	Whole from Straits, Dutch East Indies and Siam.	7 0 0					
	Whole from Goa	9 0 0					
	Whole from Ceylon	10 0 0					
	Split from Straits, Dutch East Indies and Siam—						
	(a) Mature	8 0 0					
	(b) Immature	15 8 0					
	Split from Ceylon—						
	(a) Mature	8 0 0					
	(b) Immature	15 0 0					
	Sliced all sorts	18 0 0					
	All other sorts	8 0 0					
9(6)	VANILLA BEANS		Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
10	GRAIN AND PULSE, not otherwise specified, including broken grains and pulse, but excluding flour.		....	Free .. ..	....	....	....
10(1)	WHEAT*		Protective ..	Rs. 1 per cwt. ..	....	....	March 31st, 1937.
10(2)	BROKEN RICE		Protective ..	Twelve annas per Indian maund of 82 2/7 lbs. avoirdupois weight.	....	....	March 31st, 1937.
11	FLOUR, not otherwise specified		Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>	Per cwt. Rs. a. p.					
	Cassava or Tapioca flour ..	5 8 0					
11(1)	WHEAT FLOUR		Protective ..	Rs. 1 per cwt. ..	....	....	March 31st, 1937.
11(2)	SAGO FLOUR .. ..		....	Free .. ..	....	....	....
11(3)	SAGO AND TAPIOCA		Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>	Per cwt. Rs. a. p.					
	Cassava, Tapioca or Sago	7 8 0					
11(4)	STARCH AND FARINA		Revenue ..	18 per cent. <i>ad valorem</i>.	....	....	....
12	SEEDS, all sorts not otherwise specified		Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
12(1)	OLSEEDS imported into British India by sea from the territories of any Prince or Chief in India.		....	Free .. ..	....	....	....
12(2)	OLSEEDS, non-essential, all sorts not otherwise specified, including copra or coconut kernel.		Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>	Per cwt. Rs. a. p.					
	Copra or coconut kernel ..	9 0 0					
12(3)	RUBBER SEEDS .. ..		....	Free .. ..	....	....	....
12(4)	HOPS .. ..		....	Free .. ..	....	....	....
12(5)	FODDER, bran and pollards		Revenue ..	2½ per cent. <i>ad valorem</i>.	....	....	....
13	DYEING AND TANNING SUBSTANCES, all sorts not otherwise specified.		Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>	Per lb. Rs. a. p.					
	Cochineal	0 12 0					
	Gallnuts, Iranian	81 0 0					
13(1)	BARKS FOR TANNING .. ..		....	Free .. ..	....	....	....
13(2)	CUTCH AND GAMBIER, all sorts		Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>	Per cwt. Rs. a. p.					
	Gambier, block and cube ..	11 4 0					
	Gambier in flakes or circular pieces.	37 8 0					
13(3)	GUMS, RESINS AND LAC, all sorts not otherwise specified.		Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, wheat imported by or on behalf of any person who is engaged in milling flour for export is exempt from payment of import duty, provided that such person, before clearance of the wheat for consumption or from bond, as the case may be, has produced documentary evidence to the satisfaction of the Customs-Collector that he has entered into a contract to sell a quantity of wheat flour representing 87 per cent. of the quantity of wheat imported in respect of which exemption is claimed and that the said wheat flour is to be shipped to a destination outside India before a date specified in the contract.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION II—<i>contd.</i>						
PRODUCTS OF THE VEGETABLE KINGDOM—<i>contd.</i>						
	<i>Tarif values—</i>					
		Per cwt.				
		Rs. s. p.				
	Gum Ammosiac	25 0 0				
	Gum Eyaloh (coarse myrrh) ..	18 12 0				
	Gum olibanum or frankincense ..	8 12 0				
	Gum Iranian (false)	9 0 0				
	Myrrh	21 4 0				
13(4)	Gums, Arabic, Benjamin (ras and cowrie) and Dammer (including unrefined hats) and rosin.	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i> .	..
	<i>Tarif values—</i>	Per cwt.				
		Rs. s. p.				
	Dammer hats, unrefined	5 4 0				
	Gum Arabic, other than ground ..	15 0 0				
	Gum Benjamin, ras	20 0 0				
	Gum Benjamin, cowrie	40 0 0				
	Gum Dammer (or Copal)	19 8 0				
	Rosin	8 0 0				
13(5)	STICK OR SEED LAC .. ..	....	Free .. ..	....	....	....
13(6)	Opium	Revenue ..	Rs. 30 per sac of 80 tolas or 18½ per cent. <i>ad valorem</i> , whichever is higher.	....	....	....
13(7)	CINCHONA BARK .. ..	....	Free .. ..	....	....	....
14	CANES AND RATTANS	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tarif values—</i>	Per 100 pieces.				
		Rs. s. p.				
	Canes—					
	Malacca	20 0 0				
	Chimty	8 8 0				
	Trees	5 4 0				
	Root moonah	15 0 0				
	Mansu	13 0 0				
	Pole, all kinds—					
	Not exceeding 10 feet in length	45 0 0				
	Exceeding 10 feet in length	50 0 0				
	Tobite	17 0 0				
	Rattans—					
	Chair	18 12 0				
	Basket	5 8 0				
	Outers	50 0 0				
	Inners	88 0 0				
SECTION III.						
FATTY SUBSTANCES, GREASES, OILS AND PRODUCTS OF THEIR DECOMPOSITION; PREPARED ALIMENTARY FATS; WAXES OF ANIMAL OR VEGETABLE ORIGIN.						
15	ALL SORTS OF STEARINE, WAX, GREASE AND ANIMAL FAT not otherwise specified.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tarif values—</i>	Per lb.				
		Rs. s. p.				
	Lubricating grease	0 3 0				
	Petroleum jelly, white	0 5 8				
	Petroleum jelly, all other sorts ..	0 2 0				
15(1)	LARD, not canned or bottled	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
15(2)	BEEWAX	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
15(3)	TALLOW .. ..	....	Free .. ..	....	....	....
15(4)	FISH OIL, including whale oil not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
15(5)	FISH OIL AND WHALE OIL, hardened or hydrogenated.	Revenue ..	Rs. 10 per cwt. ..	....	....	....
15(6)	VEGETABLE NON-ESSENTIAL OILS, not otherwise specified.	Preferential revenue.	35 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i>.	....
15(7)	THE FOLLOWING VEGETABLE NON-ESSENTIAL OILS, namely, coconut, groundnut and linseed.*	Preferential revenue.	35 per cent. <i>ad valorem</i>.	....	25 per cent. <i>ad valorem</i>.	....
	<i>Tarif values—</i>	Per cwt.				
		Rs. s. p.				
	Coconut oil	13 0 0				
		Per Imperial gallon.				
	Linseed oil, raw or boiled	2 0 0				
15(8)	ALL SORTS OF ANIMAL OILS not otherwise specified.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, the duty leviable on linseed oil at the standard rate is 25 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION IV.						
PRODUCTS OF THE FOOD-PREPARING INDUSTRIES: BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO.						
16	CANNED OR BOTTLED BACON, HAM AND LARD	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
16(1)	FISH, canned	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....
16(2)	ISINGLASS, canned or bottled	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
17	SUGAR, excluding confectionery†	Protective ..	Rs. 9-1 per cwt. ..	....	....	March 31st, 1938.
17(1)	MOLASSES	Revenue ..	31½ per cent. <i>ad valorem</i>.	....	....	....
17(2)	CONFECTIONERY	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
17(3)	SUGAR-CANDY	Revenue ..	Rs. 10-8 per cwt. ..	....	....	....
18	COCOA AND CHOCOLATE other than Confectionery.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
19	BISCUITS, CAKES, AND FARINACEOUS AND PATENT FOODS, canned or bottled.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>		Per cwt.			
			Rs. a. p.			
	*Vermicelli, flour, from China and the Far East.		15 0 0			
	*Vermicelli, peas, from China and the Far East.		17 8 0			
	*Vermicelli, rice, from China and the Far East.		16 0 0			
	*The tariff values given in this item apply also to imports assessed to duty as provisions and oilman's stores and groceries, all sorts not otherwise specified under Item No. 21(1) below.					
20	VEGETABLE PRODUCT, jams, jellies, pickles, chutnies, sauces and condiments, canned or bottled.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff value—</i>		Per lb.			
			Rs. a. p.			
	Vegetable product (excluding hardened coconut oil).		0 4 3			
20(1)	FRUIT JUICES	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....
20(2)	FRUITS AND VEGETABLES, canned or bottled ..	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff value—</i>		Per case of 4 dos.			
			Rs. a. p.			
	China canned fruit		9 4 0			
21	CANNED OR BOTTLED PROVISIONS, not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff values—</i>		Per box of six large or twelve small jars.			
			Rs. a. p.			
	China preserves in syrup		4 4 0			
	*China preserves, dry, candied		0 5 6			
	*The tariff values given in this item apply also to imports assessed to duty as provisions and oilman's stores and groceries, all sorts not otherwise specified under Item No. 21(1) below.					
	<i>N.B.—For other tariff values under this item see those marked with an asterisk (*) under Item No. 21(1) below.</i>					
21(1)	PROVISIONS AND OILMAN'S STORES AND GROCERIES, all sorts not otherwise specified.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>		Per cwt.			
			Rs. a. p.			
	Cocum		6 0 0			
	*Yeast, from China and the Far East.		16 0 0			
	*The tariff values given in this item apply also to imports assessed to duty as canned or bottled provisions under Item No. 21 above.					
	<i>N.B.—For other tariff values under this item see those marked with an asterisk (*) under Items Nos. 19 and 21 above.</i>					
21(2)	ALL SORTS OF FOOD not otherwise specified ..	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....

† The rate of excise duty on the 1st January, 1936, and until further notice, on sugar produced in any factory in British India and either issued out of, or used within, such factory is (i) 10 annas per cwt. on *Khandasari* sugar and (ii) Re. 1-5 per cwt. on all other sugar except palmyra sugar.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
	SECTION IV—<i>contd.</i>					
	PRODUCTS OF THE FOOD-PREPARING INDUSTRIES; BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO—<i>contd.</i>					
22	ALL SORTS OF DRINK not otherwise specified ..	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
22(1)	ALE AND BEER—					
	(a) In barrels or other containers containing 27 oz. or more.	Preferential revenue.	Rs. 1-2 per Imperial gallon.	Fourteen annas per Imperial gallon.	....	....
	(b) In bottles containing less than 27 oz. but not less than 20 oz.	Preferential revenue.	Three annas per bottle.	Two annas and four pies per bottle.	....	....
	(c) In bottles containing less than 13½ oz. but not less than 10 oz.	Preferential revenue.	One anna and six pies per bottle.	One anna and two pies per bottle.	....	....
	(d) In bottles containing less than 6½ oz. but not less than 5 oz.	Preferential revenue.	Nine pies per bottle ..	Seven pies per bottle.	....	....
	(e) In other containers	Preferential revenue.	Rs. 1-8 per Imperial gallon.	Rs. 1-2-8 per Imperial gallon.	....	....
22(2)	POWERS, cider and other fermented liquors except ale and beer—					
	(a) In barrels or other containers containing 27 oz. or more.	Revenue ..	Fifteen annas per Imperial gallon.	....	....	....
	(b) In bottles containing less than 27 oz. but not less than 20 oz.	Revenue ..	Two annas and six pies per bottle.	....	....	....
	(c) In bottles containing less than 13½ oz. but not less than 10 oz.	Revenue ..	One anna and three pies per bottle.	....	....	....
	(d) In bottles containing less than 6½ oz. but not less than 5 oz.	Revenue ..	Seven and half pies per bottle.	....	....	....
	(e) In other containers	Revenue ..	Rs. 1-4 per Imperial gallon.	....	....	....
22(3)	WINES, not containing more than 42 per cent. of proof spirit—					
	(a) Champagne and other sparkling wines..	Revenue ..	Rs. 13-2 per Imperial gallon.	....	....	....
	(b) Other sorts	Revenue ..	Rs. 7-8 per Imperial gallon.	....	....	....
22(4)	SPIRITS (other than denatured spirit)—					
	(a) Brandy, gin, whisky and other sorts of spirits not otherwise specified, including wines containing more than 42 per cent. of proof spirit.	Revenue ..	Rs. 37-8 per Imperial gallon of the strength of London proof.	....	....	....
	(b) Liqueurs, cordials, mixtures and other preparations containing spirit not otherwise specified—					
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Revenue ..	Rs. 50 per Imperial gallon.	....	....	....
	(ii) not so entered	Revenue ..	Rs. 37-8 per Imperial gallon of the strength of London proof.	....	....	....
	PROVIDED THAT—					
	(a) the duty on any article included in this item shall in no case be less than the duty which would be charged if the article were liable to a duty of 25 per cent. <i>ad valorem</i> ;					
	(b) where the unit of assessment is the Imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.					
22(5)	SPRITS—					
	(a) Bitters—					
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Preferential revenue.	Rs. 50 per Imperial gallon.	....	Rs. 45 per Imperial gallon.	....
	(ii) not so entered	Preferential revenue.	Rs. 37-8 per Imperial gallon of the strength of London proof..	....	Rs. 33-12 per Imperial gallon of the strength of London proof.	....

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION IV—<i>contd.</i>						
PRODUCTS OF THE FOOD-PREPARING INDUSTRIES; BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO— <i>contd.</i>						
	(b) Drugs and medicines containing spirit—					
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Preferential revenue.	Rs. 40 per Imperial gallon.	Rs. 36 per Imperial gallon.	Rs. 36 per Imperial gallon.	....
	(ii) not so entered	Preferential revenue.	Rs. 29 per Imperial gallon of the strength of London proof.	Rs. 26 per Imperial gallon of the strength of London proof.	Rs. 26 per Imperial gallon of the strength of London proof.	....
	(c) Perfumed spirits	Preferential revenue.	Rs. 60 per Imperial gallon.	Rs. 52-8 per Imperial gallon.	....	....
	(d) Rum	Preferential revenue.	Rs. 37-8 per Imperial gallon of the strength of London proof.	....	Rs. 33-12 per Imperial gallon of the strength of London proof.	..
PROVIDED THAT—						
	(a) on any article chargeable under this item with the lower rate of duty, the duty levied shall in no case be less than 20 per cent. <i>ad valorem</i> , and on any article chargeable under this item with the higher rate of duty, the duty levied shall in no case be less than 30 per cent. <i>ad valorem</i> ;					
	(b) where the unit of assessment is the Imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.					
22(6)	DENATURED SPIRIT Tariff value— Spirit from Java denatured before clearance.	Revenue	9½ per cent. <i>ad valorem</i>.	....	....	....
	Per Imperial gallon. Rs. a. p. 0 12 6					
22(7)	VINROAR IN CASES	Revenue	2½ per cent. <i>ad valorem</i>.	....	....	....
23	OILCAKES	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
24	TOBACCO, MANUFACTURED, not otherwise specified.	Revenue	Rs. 3-12 per lb.	....	....	....
24(1)	CIGARS	Revenue	112½ per cent. <i>ad valorem</i>	....	....	....
24(2)	CIGARETTES	Revenue	25 per cent. <i>ad valorem</i> and in addition either Rs. 8-2 per thousand or Rs. 3-4 per lb., whichever is higher.	....	....	....
24(3)	TOBACCO, unmanufactured*	Preferential revenue.	Rs. 3-4 per lb.	....	Rs. 2-12 per lb.	....
SECTION V.						
MINERAL PRODUCTS.						
25	CHINA CLAY .. .. .	....	Free .. .. .	....	....	....
25(1)	SALT, excluding salt exempted under item No. 25 (2).	Revenue	The rate at which excise duty is for the time being leviable on salt manufactured in the place where the import takes place.†	....	....	....
5(2)	SALT imported into British India and issued, in accordance with rules made with the previous sanction of the Governor-General in Council, for use in any process of manufacture; also salt imported into the port of Calcutta and issued with the sanction of the Government of Bengal to manufacturers of glazed stoneware; also salt imported into any port in the provinces of Bengal and Bihar and Orissa and issued, in accordance with rules made with the previous sanction of the Governor-General in Council, for use in curing fish in those provinces.	....	Free .. .. .	....	....	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, tobacco leaf for the manufacture of cigars when proved to have been imported for use in a cigar factory is liable to duty at Rs. 2 per lb. (standard) and Re. 1-8 per lb. (preferential).

† The rate of excise duty on the 1st January 1936, and until further notice is Re. 1-9-0 per maund of 82 2/7 lbs. avoird. Under the Salt (Additional Import Duty) Act, 1931, as amended subsequently, salt imported into any port in British India except Aden and Pem is liable to an additional duty of custom at the rate of 1½ annas per maund up to the 30th April 1938.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION V—<i>contd.</i>						
MINERAL PRODUCTS—<i>contd.</i>						
25(3)	THE FOLLOWING BUILDING AND ENGINEERING MATERIALS, namely, chalk, lime and clay.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
25(4)	CEMENT not otherwise specified	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
25(5)	PORTLAND CEMENT excluding white Portland cement.	Preferential revenue.	Rs. 18-4 per ton. ..	Rs. 13-12 per ton.	....	....
25(6)	STONE prepared as for road metalling ..	....	Free .. ..	....	....	....
25(7)	MARBLE AND STONE not otherwise specified;..	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
26	METALLIC ORES, all sorts except ochres and other pigment ores.	....	Free .. ..	....	....	....
27	COAL, COKE AND PATENT FUEL	Revenue ..	Ten annas per ton ..	....	....	....
27(1)	ASPHALT	Preferential revenue.	25 per cent. <i>ad valorem</i>.	....	15 per cent. <i>ad valorem</i>.	....
27(2)	PITCH AND TAR	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Per cwt.					
	Rs. s. p.					
	Coal pitch		2 8 0	4 0 0		
	Stockholm pitch		11 0 0			
27(3)	ALL SORTS OF MINERAL OILS not otherwise specified.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Per Imperial gallon.					
	Rs. s. p.					
	Mineral Colza oil		0 15 0			
	Transformer oil, including transit 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.		1 7 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 and nine pies per Imperial gallon.	....	....	....
27(5)	MINERAL OIL, not included in Item No. 27 (4) or Item No. 27 (6) which is suitable for use as an illuminant in wick lamps.	Revenue ..	Three annas and nine pies per Imperial gallon.	....	....	....
27(6)	MOTOR SPIRIT†	Revenue ..	Ten annas per Imperial gallon.	....	....	....
27(7)	MINERAL OIL—					
	(a) which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer, and is ordinarily used for the batching of jute or other fibre;	Revenue ..	Rs. 15-10 per ton. ..	....	....	....
	(b) which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, is not suitable for use as an illuminant in wick lamps, and is such as is not ordinarily used except as fuel or for some sanitary or hygienic purposes.	Revenue ..	12½ per cent. <i>ad valorem</i>	....	....	....
	<i>Tariff value—</i>					
	Per ton.					
	Rs. s. p.					
	Mineral oil which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, and is such as is not ordinarily used except as fuel or for some sanitary or hygienic purposes, if imported in bulk.		33 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.	Preferential revenue.	Two annas and six pies per Imperial gallon.	Six pies per Imperial gallon.	....	....

‡ Under Government of India, Finance Department (Central Revenue), Notification No. 33, dated the 22nd June 1935, sandstone is exempt from payment of import duty.

* The rate of excise duty on the 1st January 1936, and until further notice, on all kerosene produced in a manufactory in British India is 2 annas and 9½ pies per Imperial gallon.

† The rate of excise duty on the 1st January 1936, and until further notice, on all motor spirit produced in a manufactory in British India is 10 annas per Imperial gallon.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION VI.						
CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS.						
28	CHEMICALS, DRUGS AND MEDICINES, all sorts not otherwise specified.*	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	.....
	<i>Tariff values—</i>					
	Alkali, Indian (sajji-khar) ..	Per cwt. Rs. a. p. Per lb.				
	Ammonia gas, anhydrous, including compressed or liquified gas.	Per cwt. Per lb.				
	Ammonium carbonate or bicarbonate.	Per cwt.				
	Ammonium chloride— Muriate of ammonia, crystalline.	Per cwt.				
	Salammoniac, sublimed ..	Per cwt.				
	Other sorts, including compressed.	Per cwt.				
	Boric acid	Per cwt.				
	Calcium chloride	Per lb.				
	Carbonic acid gas including compressed or liquified gas.	Per cwt.				
	Caustic potash other than electrolyte.	Per lb.				
	Chlorine	Per cwt.				
	Copper sulphate	Per oz.				
	Menthol (peppermint) crystals.	Per cwt.				
	Potassium bichromate ..	Per cwt.				
	Soda ash including calcined natural soda and manufactured sesqui-carbonates.	Per cwt.				
	Soda, caustic, flake	Per cwt.				
	Soda, caustic, powdered ..	Per cwt.				
	Soda, caustic, solid	Per cwt.				
	Soda crystals	Per cwt.				
	Sodium bichromate	Per cwt.				
	Sodium hydrosulphite	Per cwt.				
	Sodium hyposulphite	Per cwt.				
	Sodium sulphide	Per cwt.				
	Tartaric acid	Per cwt.				
	Trona or natural soda uncalcined.	Per lb.				
	Banslochan (bamboo camphor)	Per cwt.				
	Cakumba root	Per cwt.				
	China root (Chobchini) rough ..	Per cwt.				
	China root (Chobchini) scraped.	Per cwt.				
	Cubebs	Per cwt.				
	Galangal, China	Per cwt.				
	Salep	Per cwt.				
	<i>N.B.—The tariff valuations apply to articles packed in containers of not less than 14 lbs. except in the case of menthol (peppermint) crystals: the tariff valuation for the latter applies to all menthol in containers of $\frac{1}{4}$ oz. and above.</i>					
28(1)	BLEACHING PASTE AND BLEACHING POWDER.	.....	Free .. .. .	.....	.....	.....
28(2)	COPPERAS, green (ferrous sulphate)	Revenue ..	2½ per cent. <i>ad valorem</i>.	.....	.....	.....
28(3)	SULPHUR .. .. .	.....	Free .. .. .	.....	.....	.....
28(4)	LIQUID GOLD for glass-making	Preferential revenue.	25 per cent. <i>ad valorem</i> .	15 per cent. <i>ad valorem</i>.	.....	.....
28(5)	HEAVY CHEMICALS, the following, namely:— Magnesium chloride	Protective ..	Re. 1-5 per cwt. or 25 per cent. <i>ad valorem</i> , whichever is higher.	.....	.....	March 31st, 1939.
28(6)	THE FOLLOWING CHEMICALS, namely:— (a) Alum (ammonia alum, potash alum and soda alum).	Revenue ..	25 per cent. <i>ad valorem</i> or Re. 1-6 per cwt., whichever is higher.	.....	.....	.....
	(b) Magnesium sulphate or hydrated magnesium sulphate.	Revenue ..	25 per cent. <i>ad valorem</i> or Re. 1-4 per cwt., whichever is higher.	.....	.....	.....
28(7)	THE FOLLOWING CHEMICALS, namely, cadmium sulphide, cobalt oxide, selenium, uranium oxide and zinc oxide.	Preferential revenue.	25 per cent. <i>ad valorem</i> .	15 per cent. <i>ad valorem</i>.	.....	.....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, calcium acetate and radium salts are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
	SECTION VI—<i>contd.</i>					
	CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS— <i>contd.</i>					
28(8)	THE FOLLOWING CHEMICALS, DRUGS AND MEDICINES, namely, acetic, carbolic, citric and oxalic acids, naphthalene, potassium chlorate and potassium cyanide, bicarbonate of soda, borax, sodium silicate, arsenic, calcium carbide, glycerine, lead, magnesium and zinc compounds not otherwise specified, aloes, <i>asafoetida</i> , cocaine, <i>sarsaparilla</i> and <i>storax</i> .	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Acetic acid	Per lb.				
		Rs. s. p.				
		0 4 0				
	Arsenic (China mansil)	Per cwt.				
		40 0 0				
	Borax, granular, powdered or crystalline	Per cwt.				
		9 12 0				
	Calcium carbide	Per lb.				
		11 8 0				
	Chlorate of potash	Per lb.				
		24 8 0				
	Naphthalene balls	Per lb.				
		10 8 0				
	Oxalic acid	Per lb.				
		32 0 0				
	Sodium bicarbonate	Per lb.				
		5 8 0				
	Sodium silicate (in liquid form)	Per lb.				
		6 8 0				
	<i>Asafoetida</i> , coarse (<i>hingra</i>)	Per lb.				
		21 0 0				
	<i>N.B.</i> —The tariff valuations apply to articles packed in containers of not less than 14 lbs.					
28(9)	SACCHARINE (except in tablets) and such other substances as the Governor-General in Council may, by notification in the <i>Gazette of India</i> , declare to be of a like nature or use to saccharine.	Revenue	Rs. 6-4 per lb. . . . .	....	....	....
28(10)	SACCHARINE TABLETS	Revenue	18½ per cent. <i>ad valorem</i> or Rs. 6-4 per pound of saccharine contents, whichever is higher.	....	....	....
28(11)	ALKALOIDS OF OPIUM AND THEIR DERIVATIVES.	Revenue	Rs. 30 per seer of 80 tolas or 18½ per cent. <i>ad valorem</i> , whichever is higher.	....	....	....
28(12)	ALKALOIDS EXTRACTED FROM CINCHONA BARK including quinine and alkaloids derived from other sources which are chemically identical with alkaloids extracted from cinchona bark.	....	Free .. .. .	....	....	....
28(13)	ANTI-PLAGUE SERUM .. .. .	....	Free .. .. .	....	....	....
28(14)	TOILET REQUISITES, not otherwise specified	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
29	CINEMATOGRAPH FILMS, not exposed	Preferential revenue.	25 per cent. <i>ad valorem</i> .	15 per cent. <i>ad valorem</i>.	....	....
29(1)	CINEMATOGRAPH FILMS, exposed	Revenue	37½ per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Exposed standard positive films, new or used—	Per foot.				
		Rs. s. p.				
	Feature films	0 7 0				
	Other films	0 3 0				
30	PAINTS, COLOURS AND PAINTERS' MATERIALS, all sorts not otherwise specified, including paints, solutions and compositions containing dangerous petroleum within the meaning of the Indian Petroleum Act, 1934.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff values—</i>					
	Cattle fish bone	Per cwt.				
		Rs. s. p.				
		4 7 0				
	Gamboge	Per lb.				
		1 0 0				
	Vermilion from China	Per lb.				
		2 8 0				
30(1)	DYES DERIVED FROM COAL-TAR, AND COAL-TAR DERIVATIVES, used in any dyeing process.	Revenue	10 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Alizarine, moist—	Per cwt.				
	(a) not exceeding 16 per cent.	58 0 0				
	(b) over 16 per cent. not exceeding 20 per cent.	72 4 0				
	(c) exceeding 20 per cent.	144 8 0				
	Alizarine, dry—	Per lb.				
	(a) not exceeding 40 per cent.	2 2 0				
	(b) exceeding 40 per cent.	3 8 0				
	Congo red	Per lb.				
		0 9 0				

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
	SECTION VI—<i>contd.</i>					
	CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS— <i>contd.</i>					
	<i>Tariff values—</i>					
	Coupling dyes of the naphthol group—	Per lb.				
	(a) Naphthols	Rs. a. p.				
	(b) Rapid fast colours (rapid salts).	8 9 0				
	(c) Bases	2 8 0				
	(d) Other salts	1 12 0				
	Vats—					
	(a) Indigo	1 8 0				
	(b) Carbazole blue	2 10 0				
	(c) Other sorts—					
	(i) Paste	4 0 0				
	(ii) Powder	17 0 0				
	Sulphur black	0 4 3				
	Metanil yellow	0 14 6				
	Aniline salts	0 5 9				
	All others	1 10 0				
30(2)	PAINTS, COLOURS AND PAINTERS' MATERIALS, the following, namely:—					
	(a) Red lead, genuine dry, genuine moist and reduced moist.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 4-12 per cwt., whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(b) White lead, genuine dry	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 5-12 per cwt., whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(c) Zinc white, genuine dry	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 8 per cwt., whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(d) Paints, other sorts, coloured, moist—					
	(i) in packing of 1 lb. or over	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 8-8 per cwt., whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(ii) in packing of $\frac{1}{2}$ lb. and over but less than 1 lb.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 11-4 per cwt., whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(iii) in packing of $\frac{1}{4}$ 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.	20 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.	20 per cent. <i>ad valorem</i>.	....	....
30(3)	PAINTS, COLOURS AND PAINTERS' MATERIALS, the following, namely:—					
	(a) Red lead, reduced dry	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 4-12 per cwt., whichever is higher.	....	....	....
	(b) White lead, genuine moist, and reduced dry or moist.	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 5-12 per cwt., whichever is higher.	....	....	....
	(c) Zinc white, genuine moist	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 8 per cwt., whichever is higher.	....	....	..
	(d) Zinc white, reduced dry or moist ..	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 4-4 per cwt., whichever is higher.	....	....	..
30(4)	THE FOLLOWING PAINTS, COLOURS AND PAINTERS' MATERIALS, namely, barytes, turpentine, turpentine substitute, and varnish not containing dangerous petroleum within the meaning of the Indian Petroleum Act, 1934.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
30(5)	PLUMBAGO AND GRAPHITE	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
30(6)	PRINTERS' INK	Revenue ..	10 per cent. <i>ad valorem</i>.	....	....	....
30(7)	LEAD PENCILS	Preferential revenue.	30 per cent. <i>ad valorem</i> or one anna per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
30(8)	SLATE PENCILS	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
31	NATURAL ESSENTIAL OILS, all sorts not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff values—</i>	Per lb.				
	Cassia oil, natural, from Ceylon, Straits, China, Japan and the Far East.	Rs. a. p.				
		1 0 0				

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION VI—<i>contd.</i>						
CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS—<i>contd.</i>						
31(1)	THE FOLLOWING NATURAL ESSENTIAL OILS, namely, citronella, cinnamon, and cinnamon leaf.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>					
	Per lb. Rs. a. p. Citronella oil, natural, from Ceylon, Straits, China, Japan and the Far East.					
	1 0 0					
31(2)	THE FOLLOWING NATURAL ESSENTIAL OILS, namely, almond, bergamot, gajupatti, camphor, cloves, eucalyptus, lavender, lemon, otto-rose and peppermint.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Per lb. Rs. a. p. Gajupatti oil, natural, from Ceylon, Straits, China, Japan and the Far East.					
	1 4 0					
	Peppermint oil, natural, from Ceylon, Straits, China, Japan and the Far East.					
	3 0 0					
31(3)	ESSENTIAL OILS, synthetic	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
31(4)	CAMPHOR	Revenue	50 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Per lb. Rs. a. p. Camphor, refined, other than powder.					
	1 6 0					
	Camphor, powder, other than synthetic.					
	0 14 0					
	Camphor, synthetic, tablets and slabs.					
	1 5 8					
	Camphor, synthetic, powder ..					
	0 13 8					
31(5)	PERFUMERY, not otherwise specified	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Per cwt. Rs. a. p. Gowla, husked and unhusked..					
	48 0 0					
	Kapurachri (sedaary) ..					
	12 8 0					
	Patch leaves (pachouli) ..					
	16 0 0					
	Rose-flowers, dried					
	10 8 0					
32	SOAP, not otherwise specified	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
32(1)	SOAP, toilet	Preferential revenue.	35 per cent. <i>ad valorem</i> or Rs. 20 per cwt., whichever is higher.	25 per cent. <i>ad valorem</i>.	....	....
32(2)	SOAP, household and laundry—					
	(a) in plain bars of not less than one pound in weight.	Revenue	Rs. 4 per cwt. .. .. .	....	....	....
	(b) other sorts	Revenue	Rs. 6-8 per cwt. .. .. .	....	....	....
32(3)	POLISHES AND COMPOSITIONS	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
32(4)	CANDLES	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
33	GLUE, not otherwise specified	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
33(1)	GLUE, clarified, liquid	Revenue	10 per cent. <i>ad valorem</i>.	....	....	....
34	GUNPOWDER FOR CANNONS, RIFLES, GUNS, PISTOLS AND SPORTING PURPOSES.	Revenue	50 per cent. <i>ad valorem</i>.	....	....	....
34(1)	EXPLOSIVES, namely, blasting gunpowder, blasting gelatine, blasting dynamite, blasting roborite, blasting tonite, and all other sorts, including detonators and blasting fuse.*	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
34(2)	FIREWORKS, specially prepared as danger or distress lights for the use of ships.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
34(3)	FIREWORKS, not otherwise specified	Revenue	50 per cent. <i>ad valorem</i>.	....	....	....
34(4)	MATCHES, undipped splints and veneers—					
	(a) Matches—					
	(1) In boxes or booklets containing on an average not more than 40 matches.	Protective	The rate at which excise duty is for the time being leviable on such matches manufactured in British India† plus ten annas per gross of boxes or booklets.	....	....	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, certain specified explosives specially adapted for use in dangerous coal mines are exempt from payment of import duty.

† The rate of excise duty on the 1st January 1936, and until further notice is Re. 1 per gross of boxes or booklets.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION VI—<i>concl.</i>						
CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS— <i>concl.</i>						
	(2) In boxes or booklets containing on an average more than 40 but not more than 60 matches.	Protective	The rate at which excise duty is for the time being leviable on such matches manufactured in British India* plus fifteen annas per gross of boxes or booklets.	....	....	....
	(3) In boxes or booklets containing on an average more than 60 but not more than 80 matches.	Protective	The rate at which excise duty is for the time being leviable on such matches manufactured in British India† plus Re. 1-4 per gross of boxes or booklets.	....	....	....
	(4) All other matches	Protective	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡ plus one pie for every 48 matches or fraction thereof.	....	....	....
	(b) Unflipped splints such as are ordinarily used for match-making.	Protective	Five annas and seven and a half pies per lb.	....	....	....
	(c) Veneers such as are ordinarily used for making boxes, including boxes and parts of boxes made of such veneers.	Protective	Seven annas and six pies per lb.	....	....	....
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, carboline, urea, nitrate of lime, calcium cyanamide, ammonium phosphates, mineral phosphates and mineral superphosphates.	....	Free .. .. .	....	....	....
SECTION VII.						
HIDES, SKINS, LEATHER, FUR SKINS AND MANUFACTURES OF THESE MATERIALS.						
36	HIDES AND SKINS, not otherwise specified ..	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
36(1)	HIDES AND SKINS, raw or salted .. .. .	....	Free .. .. .	....	....	....
36(2)	SKINS (other than Fur Skins), tanned or dressed, and unwrought leather.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
37	THE FOLLOWING LEATHER MANUFACTURES, namely, saddlery, harness, trunks and bags.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
37(1)	LEATHER CLOTH, including artificial leather, and other manufactures of leather not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
38	FUR SKINS, dressed	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
SECTION VIII.						
RUBBER AND ARTICLES MADE OF RUBBER.						
39	RUBBER, raw .. .. .	....	Free .. .. .	....	....	....
39(1)	RUBBER TYRES AND TUBES AND OTHER MANUFACTURES OF RUBBER, not otherwise specified, excluding apparel and boots and shoes.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff values—</i>					
		Per dozen.				
		Rs. a. p.				
	Cycle tyres (pneumatic) from Japan and the Far East.	10 0 0				
	Cycle tubes from Japan and the Far East.	3 4 0				
		Per lb.				
	Solid rubber tyres for carriages and rickshaws.	0 8 0				
SECTION IX.						
WOOD AND CORK AND WARES OF THESE MATERIALS; GOODS MADE OF PLAITING MATERIALS.						
40	WOOD AND TIMBER, all sorts, not otherwise specified, including all sorts of ornamental wood.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....

* The rate of excise duty on the 1st January, 1936, and until further notice is Re. 1-8 per gross of boxes or booklets.

† The rate of excise duty on the 1st January, 1936, and until further notice is Re. 2 per gross of boxes or booklets.

‡ The rate of excise duty on the 1st January, 1936, and until further notice is 4 annas for every 1,440 matches or fraction thereof.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION IX—<i>contd.</i>						
WOOD AND CORK AND WARES OF THESE MATERIALS; GOODS MADE OF PLAITING MATERIALS—<i>contd.</i>						
40(1)	FIREWOOD	Revenue ..	2½ per cent. <i>ad valorem</i>.	.....	.....	.....
40(2)	FURNITURE AND CABINETWARE, not otherwise specified, excluding mouldings.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	.....	.....
40(3)	TEA CHESTS AND PARTS AND FITTINGS THEREOF	Revenue ..	25 per cent. <i>ad valorem</i>.	.....	.....	.....
41	CORK MANUFACTURES, not otherwise specified..	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	.....	.....
42	FURNITURE OF WICKERWORK OR BAMBOO ..	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	.....	.....
SECTION X.						
PAPER AND ITS APPLICATIONS.						
43	WOOD PULP	Protective ..	Rs. 56-4 per ton ..	.....	.....	March 31st, 1939.
44	PAPER, including chrome, marble, flint, poster and stereo printing paper; articles made of paper and papier maché; pasteboard, mill-board and cardboard, all sorts, other than strawboard.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	.....	.....
	<i>Tariff values—</i>	Per lb.				
		Rs. s. p.				
	Packing and wrapping paper—					
	Machine-glazed pressings ..	0 1 6				
	Manilla, machine-glazed or unglazed, and sulphite envelope.	0 1 6				
	Kraft and imitation kraft ..	0 1 6				
44(1)	PRINTING PAPER (excluding chrome, marble, flint, poster and stereo), all sorts which contain no mechanical wood pulp or in which the mechanical wood pulp amounts to less than 70 per cent. of the fibre content.	Protective ..	One anna and three pies per lb.	.....	.....	March 31st 1939.
44(2)	PRINTING PAPER, all sorts not otherwise specified which contain mechanical wood pulp amounting to not less than 70 per cent. of the fibre content; and strawboard, all sorts.	Revenue ..	25 per cent. <i>ad valorem</i>.	.....	.....	.....
	<i>Tariff values—</i>	Per lb.				
		Rs. s. p.				
	Printing paper, not on reels (excluding chrome, marble, flint, poster, stereo and art paper) in which the mechanical wood pulp amounts to not less than 70 per cent. of the fibre content, glazed or unglazed, white or grey.	0 1 1				
	Straw boards (not lined) ..	Per cwt. 4 4 0				
44(3)	WRITING PAPER—					
	(a) Ruled or printed forms (including letter paper with printed headings) and account and manuscript books and the binding thereof.	Protective ..	One anna and three pies per lb. or 1½ per cent. <i>ad valorem</i> , whichever is higher.	.....	.....	March 31st, 1939.
	(b) All other sorts	Protective ..	One anna and three pies per lb.	.....	.....	March 31st, 1939.
44(4)	TRADE CATALOGUES AND ADVERTISING CIRCULARS, imported by packet, book, or parcel post.	.....	Free .. .. .	.....	.....	.....
44(5)	PAPER MONEY .. .. .	.....	Free .. .. .	.....	.....	.....
44(6)	NEWSPAPERS, OLD, in bales and bags	Revenue ..	25 per cent. <i>ad valorem</i>.	.....	.....	.....
	<i>Tariff value—</i>	Per cwt.				
		Rs. s. p.				
	Old newspaper in bales and bags.	3 10 0				
45	STATIONERY, including drawing and copy books, labels, advertising circulars, sheet or card almanacs and calendars, Christmas, Easter and other cards, including cards in booklet form; including also waste paper but excluding paper and stationery otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	.....	.....
45(1)	BOOKS, PRINTED, including covers for printed books, maps, charts, and plans, proofs, music, manuscripts, and illustrations specially made for binding in books.	.....	Free .. .. .	.....	.....	.....
45(2)	PRINTS, ENGRAVINGS AND PICTURES (including photographs and picture post cards) on paper or cardboard.*	Revenue ..	50 per cent. <i>ad valorem</i>.	.....	.....	.....

* 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.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XI.						
TEXTILE MATERIALS AND TEXTILE GOODS.						
46	SILK, RAW (excluding silk waste and noils), and silk cocoons.	Protective ..	25 per cent. <i>ad valorem</i> , plus 14 annas per lb.	....	....	March 31st, 1939.
	<i>Tariff values—</i>					
	Silk, raw—					
	Chinese—					
	Waste products ..	..	1 8 0			
	Dupion all kinds ..	..	2 4 0			
	Hand reeled ..	..	2 8 0			
	All other sorts ..	..	2 14 0			
	Japanese filatures ..	..	2 12 0			
46(1)	SILK WASTE AND NOILS	Protective ..	25 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
46(2)	WOOL, RAW, AND WOOL-TOPS.. ..	....	Free .. .. .	....	....	....
46(3)	COTTON, RAW	Revenue ..	Six ples per lb. ..	....	....	..
46(4)	TEXTILE MATERIALS, the following:—	Revenue ..	Raw hemp—18½ per cent. <i>ad valorem</i> ; all others—25 per cent. <i>ad valorem</i>.	....	....	....
	Raw flax, hemp, jute and all other unmanufactured textile materials not otherwise specified.					
	<i>Tariff value—</i>					
	Hemp, raw and undressed ..	..	10 8 0			
46(5)	SISAL AND ALOE FIBRE	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 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.	....	....	March 31st, 1939.
47(1)	SILK SEWING THREAD	Protective ..	25 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
47(2)	ARTIFICIAL SILK YARN AND THREAD ..	Revenue ..	25 per cent. <i>ad valorem</i> or 3 annas per lb., whichever is higher.	....	....	....
47(3)	WOOLLEN YARN, not otherwise specified ..	Preferential revenue.	35 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i>.	....	..
47(4)	WOOLLEN YARN for weaving and knitting wool.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	..
47(5)	COTTON THREAD, other than sewing or darning thread.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
47(6)	COTTON TWIST AND YARN, and cotton sewing or darning thread*—					
	(a) of counts above 50's—					
	(i) of British manufacture	Protective ..	5 per cent. <i>ad valorem</i>..	....	....	March 31st, 1939.
	(ii) not of British manufacture ..	Protective ..	6½ per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
	(b) of counts 50's and below—					
	(i) of British manufacture	Protective ..	5 per cent. <i>ad valorem</i> or 1½ annas per lb., whichever is higher.	....	....	March 31st, 1939.
	(ii) not of British manufacture ..	Protective ..	6½ per cent. <i>ad valorem</i> or 1½ annas per lb., whichever is higher.	....	....	March 31st, 1939.
47(7)	Twist and Yarn of flax or jute	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
47(8)	YARN (excluding cotton yarn) such as is ordinarily used for the manufacture of belting for machinery.	Revenue ..	6½ per cent. <i>ad valorem</i>.	....	....	....
48	FABRICS, not otherwise specified, containing more than 90 per cent. of silk, including such fabrics embroidered with artificial silk—					
	(a) Pongee	Protective ..	50 per cent. <i>ad valorem</i> plus Re. 1 per lb.	....	....	March 31st, 1939.
	(b) Full, Boseki and corded (excluding white cord).	Protective ..	50 per cent. <i>ad valorem</i> plus Re. 1-8 per lb.	....	....	March 31st, 1939.
	(c) Other sorts?	Protective ..	50 per cent. <i>ad valorem</i> plus Re. 2 per lb.	....	....	March 31st, 1939.

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, as amended subsequently, cotton sewing or darning thread is liable to duty at 5 per cent. *ad valorem* when the thread is of British manufacture and at 6½ per cent. *ad valorem* when it is of non-British manufacture.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, (i) Chinese silk piecegoods, the following, namely, Ghat-Pote, plain and flower, and Gauze, plain and flower, are liable to duty at 50 per cent. *ad valorem* plus Re. 1 per lb., and (2) Pa, all sorts, are exempt from so much of the duty as is in excess of 75 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XI—<i>contd.</i>						
TEXTILE MATERIALS AND TEXTILE GOODS—<i>contd.</i>						
48(1)	FABRICS, not otherwise specified, containing more than 90 per cent. of artificial silk—					
	(a) of British manufacture	Protective ..	30 per cent. <i>ad valorem</i> or 2½ annas per square yard, whichever is higher.	....	....	March 31st, 1939.
	(b) not of British manufacture	Protective ..	50 per cent. <i>ad valorem</i> or 4 annas per square yard, whichever is higher.	....	....	March 31st, 1939.
48(2)	WOOLLEN FABRICS, not otherwise specified, containing more than 90 per cent. of wool, excluding felt and fabrics made of shoddy or waste wool.	Preferential revenue.	85 per cent. <i>ad valorem</i> or Re. 1-2 per lb., whichever is higher.	25 per cent. <i>ad valorem</i>.	....	....
48(3)	COTTON FABRICS, not otherwise specified, containing more than 90 per cent. of cotton—					
	(a) Grey piecegoods (excluding bordered grey chadars, dbuties, saris and scarves)—					
	(i) of British manufacture	Protective ..	25 per cent. <i>ad valorem</i> or 4½ annas per lb., whichever is higher.	....	....	March 31st, 1939.
	(ii) not of British manufacture	Protective ..	50 per cent. <i>ad valorem</i> or 5½ annas per lb., whichever is higher.	....	....	March 31st, 1939.
	(b) Cotton piecegoods and fabrics, not otherwise specified—					
	(i) of British manufacture	Protective ..	25 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
	(ii) not of British manufacture	Protective ..	50 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
48(4)	FABRICS, not otherwise specified, containing more than 10 per cent. and not more than 90 per cent. silk—					
	(a) containing more than 50 per cent. of silk or artificial silk or of both.	Protective ..	50 per cent. <i>ad valorem</i> plus Rs. 2 per lb.	....	....	March 31st, 1939.
	(b) containing not more than 50 per cent. of silk or artificial silk or of both—					
	(i) containing more than 10 per cent. artificial silk.*	Protective ..	50 per cent. <i>ad valorem</i> or Re. 1-8 per lb., whichever is higher.	....	....	March 31st, 1939.
	(ii) containing no artificial silk or not more than 10 per cent. artificial silk.*	Protective ..	50 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
48(5)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. artificial silk—					
	(a) containing 50 per cent. or more cotton—					
	(i) of British manufacture	Protective ..	30 per cent. <i>ad valorem</i> or 2 annas per square yard, whichever is higher.	....	....	March 31st, 1939.
	(ii) not of British manufacture	Protective ..	50 per cent. <i>ad valorem</i> or 3½ annas per square yard, whichever is higher.	....	....	March 31st, 1939.
	(b) containing no cotton or containing less than 50 per cent. cotton—					
	(i) of British manufacture	Protective ..	30 per cent. <i>ad valorem</i> or 2½ annas per square yard, whichever is higher.	....	....	March 31st, 1939.
	(ii) not of British manufacture	Protective ..	50 per cent. <i>ad valorem</i> or 4 annas per square yard, whichever is higher.	....	....	March 31st, 1939.
48(6)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk, but containing more than 10 per cent. but not more than 90 per cent. wool.	Preferential revenue.	35 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i>.	....	....

* Under Government of India, Finance Department (Central Revenues) Notification No. 33, dated the 22nd June 1935, woollen allover embroidered with artificial silk are exempt from so much of the duty as is in excess of 35 per cent. *ad valorem* or Re. 1-2 per lb., whichever is higher (standard) and 25 per cent. *ad valorem* (preferential).

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XI—<i>contd.</i>						
TEXTILE MATERIALS AND TEXTILE GOODS—<i>contd.</i>						
48(7)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool, but containing more than 50 per cent. cotton and not more than 90 per cent. cotton—					
	(a) of British manufacture	Protective ..	25 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
	(b) not of British manufacture	Protective ..	50 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
48(8)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool or 50 per cent. cotton.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
48(9)	THE FOLLOWING COTTON FABRICS, namely, Sateens including Italians of Sateen weave, velvets and velveteens and embroidered allovers—					
	(a) of British manufacture	Protective ..	25 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
	(b) not of British manufacture	Protective ..	35 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
48(10)	FABRICS containing gold or silver thread ..	Protective ..	50 per cent. <i>ad valorem</i>.	....	....	March 1st, 1939.
49	TEXTILE MANUFACTURES, the following articles when made wholly or mainly of any of the fabrics specified in Item No. 48, 48(1), 48(3), 48(4), 48(5), 48(7), 48(9) or 48(10) :—	Protective ..	The <i>ad valorem</i> rates of duty applicable to the fabric of which the article is wholly or mainly made.	....	....	March 31st, 1939.
	Bed sheets.					
	Bed spreads.					
	Bolster cases.					
	Counterpanes.					
	Cloths, table.					
	Cloths, tray.					
	Covers, bed.					
	Covers, table.					
	Dusters.					
	Glass-cloths.					
	Handkerchiefs.					
	Napkins.					
	Pillow cases.					
	Pillow slips.					
	Scarves.					
	Shirts.					
	Shawls.					
	Sacks (cotton).					
	Towels.					
	Umbrella Coverings.					
49(1)	FRENTS, being <i>bona fide</i> remnants of piecegoods or other fabrics—					
	(a) of materials liable to duty under Item No. 48(3), not exceeding 4 yards in length.	Preferential revenue.	35 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i>.	....	....
	(b) of materials liable to duty under Item Nos. 48, 48(1), 48(4) or 48(5), not exceeding 2½ yards in length.	Preferential revenue.	35 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i>.	....	....
	(c) of other materials, not exceeding 4 yards in length.	Preferential revenue.	35 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i>.	....	....
49(2)	RIBBONS	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 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 ..	25 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.	35 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i>.	....	....
49(5)	COTTON BRAIDS OR CORDS, the following, namely :—	Protective ..	6½ annas per lb.	....	....	March 31st, 1939.
	Ghoonals and Muktakesis.					
50	JUTE MANUFACTURES, not otherwise specified.	Revenue ..	25 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 ..	25 per cent. <i>ad valorem</i>.	....	....	....
50(3)	COTTON, HAIR AND CANVAS PLY BELTING for machinery.	Revenue ..	8½ per cent. <i>ad valorem</i>.	....	....	....
50(4)	ROPES, cotton .. .. .	....	Free .. .. .	....	....	....
50(5)	OIL CLOTH AND FLOOR CLOTH	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 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.																									
SECTION XI—<i>contd.</i>																														
TEXTILE MATERIALS AND TEXTILE GOODS—<i>contd.</i>																														
50(6)	CORDAGE, ROPE AND TWINE OF VEGETABLE FIBRE OTHER THAN JUTE AND COTTON, not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>																								
50(7)	MATS AND MATTINGS, not otherwise specified.	Revenue	25 per cent. <i>ad valorem</i>																								
50(8)	COIR FIBRE, coir yarn and coir mats and matting.	Preferential revenue.	30 per cent. <i>ad valorem</i>	20 per cent. <i>ad valorem</i>																								
<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;"><i>Tariff values—</i></td> <td style="width: 10%; text-align: center;"><i>Per cent.</i></td> <td style="width: 30%;"></td> </tr> <tr> <td></td> <td style="text-align: center;"><i>Rs. s. p.</i></td> <td></td> </tr> <tr> <td>Coir fibre</td> <td style="text-align: center;">5</td> <td>12 0</td> </tr> <tr> <td>Coir yarn</td> <td style="text-align: center;">10</td> <td>5 0</td> </tr> </table>							<i>Tariff values—</i>	<i>Per cent.</i>			<i>Rs. s. p.</i>		Coir fibre	5	12 0	Coir yarn	10	5 0												
<i>Tariff values—</i>	<i>Per cent.</i>																													
	<i>Rs. s. p.</i>																													
Coir fibre	5	12 0																												
Coir yarn	10	5 0																												
51	SOCKS AND STOCKINGS, made wholly or mainly from silk or artificial silk.	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 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.	Preferential revenue.	35 per cent. <i>ad valorem</i> or Re. 1-2 per lb., whichever is higher.	25 per cent. <i>ad valorem</i>																								
51(2)	COTTON KNITTED APPAREL, including apparel made of cotton interlocking material, cotton under-vests, knitted or woven, and cotton socks and stockings—																													
	(a) of weight not exceeding 4 lbs. per dozen.	Protective	25 per cent. <i>ad valorem</i> or 12 annas per lb., whichever is higher.	March 31st, 1939.																								
	(b) of weight exceeding 4 lbs. per dozen	Protective	25 per cent. <i>ad valorem</i> or 10 annas per lb., whichever is higher.	March 31st, 1939.																								
51(3)	COTTON KNITTED FABRIC	Protective	50 per cent. <i>ad valorem</i> or 12 annas per lb., whichever is higher.	March 31st, 1939.																								
52	APPAREL, HOSIERY, HABERDASHERY, MILLINERY AND DRAPERY, not otherwise specified.	Preferential revenue.	35 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i>																								
52(1)	SILK OR ARTIFICIAL SILK GOODS used or required for medical purposes, namely:— silk or artificial silk ligatures; elastic silk or artificial silk hose, 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 oiled silk or artificial silk.	Revenue	25 per cent. <i>ad valorem</i>																								
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.	Preferential revenue.	35 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i>																								
53(1)	RAPE AND OTHER PAPER-MAKING MATERIALS excluding wood pulp.	Free																								
SECTION XII.																														
FOOTWEAR, HATS, UMBRELLAS AND PARASOLS; ARTICLES OF FASHION.																														
54	BOOTS AND SHOES, not otherwise specified ..	Revenue	25 per cent. <i>ad valorem</i> or six annas per pair, whichever is higher.																								
54(1)	BOOTS AND SHOES composed mainly of leather.	Preferential revenue.	30 per cent. <i>ad valorem</i> or six annas per pair, whichever is higher.	20 per cent. <i>ad valorem</i> or 5 annas per pair, whichever is higher.																								
54(2)	UPPERS FOR BOOTS AND SHOES unless entirely made of leather.	Revenue	25 per cent. <i>ad valorem</i> or three annas per pair, whichever is higher.																								
55	HATS, CAPS, BONNETS AND HATTERS' WARE, not otherwise specified.	Preferential revenue.	35 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i>																								
56	PARASOLS AND SUNSHADES AND FITTINGS for umbrellas, parasols and sunshades.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>																								
<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;"><i>Tariff values—</i></td> <td style="width: 10%; text-align: center;"><i>Per dozen sets of 8.</i></td> <td style="width: 30%;"></td> </tr> <tr> <td></td> <td style="text-align: center;"><i>Rs. s. p.</i></td> <td></td> </tr> <tr> <td>Umbrella ribs other than nickelled, brassed, sisted or metal tipped—</td> <td></td> <td></td> </tr> <tr> <td> Solid Flexus, 23, 25 and 27 inches—</td> <td></td> <td></td> </tr> <tr> <td> From Japan</td> <td style="text-align: center;">1</td> <td>11 0</td> </tr> <tr> <td> From other countries ..</td> <td style="text-align: center;">5</td> <td>3 0</td> </tr> <tr> <td> Solid Flexus, 16, 18 and 21 inches—</td> <td></td> <td></td> </tr> <tr> <td> From Japan</td> <td style="text-align: center;">1</td> <td>5 6</td> </tr> </table>							<i>Tariff values—</i>	<i>Per dozen sets of 8.</i>			<i>Rs. s. p.</i>		Umbrella ribs other than nickelled, brassed, sisted or metal tipped—			Solid Flexus, 23, 25 and 27 inches—			From Japan	1	11 0	From other countries ..	5	3 0	Solid Flexus, 16, 18 and 21 inches—			From Japan	1	5 6
<i>Tariff values—</i>	<i>Per dozen sets of 8.</i>																													
	<i>Rs. s. p.</i>																													
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SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XII—<i>contd.</i>						
FOOTWEAR, HATS, UMBRELLAS AND PARASOLS; ARTICLES OF FASHION—<i>contd.</i>						
<i>Tariff Values—<i>contd.</i></i>						
					Per dozen set of 8.	
					Rs. a. p.	
	Solids, 23, 25 and 27 inches—				1 3 0	
	From Japan				1 14 0	
	From other countries ..					
	Solids, 16, 19 and 21 inches—				1 2 0	
	From Japan				1 8 0	
	From other countries ..					
56(1)	UMBRELLAS	Preferential revenue.	30 per cent. <i>ad valorem</i> or eight annas each, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....
57	.....	....	....	....	....	....
SECTION XIII.						
WARES OF STONE AND OF OTHER MINERAL MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE.						
58	ARTICLES MADE OF STONE OR MARBLE ..	Revenue ..	25 per cent. <i>ad valorem.</i>	....	....	....
58(1)	ASBESTOS MANUFACTURES, not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem.</i>	20 per cent. <i>ad valorem.</i>	....	....
58(2)	PACKING—ENGINE AND BOILER—all sorts not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem.</i>	20 per cent. <i>ad valorem.</i>	....	....
59	BUILDING AND ENGINEERING MATERIALS, all sorts not of iron, steel or wood not otherwise specified, including tiles other than glass, earthenware or porcelain tiles, and firebricks not being component parts of any articles included in item No. 72 or 74(2).*	Preferential revenue.	30 per cent. <i>ad valorem.</i>	20 per cent. <i>ad valorem.</i>	....	....
59(1)	BUILDING AND ENGINEERING BRICKS ..	Revenue ..	25 per cent. <i>ad valorem.</i>	....	....	....
59(2)	EARTHENWARE, CHINA AND PORCELAIN, all sorts not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem.</i>	20 per cent. <i>ad valorem.</i>	....	....
59(3)	EARTHENWARE PIPES AND SANITARY WARE..	Revenue ..	25 per cent. <i>ad valorem.</i>	....	....	....
59(4)	TILES OF EARTHENWARE AND PORCELAIN ..	Preferential revenue.	30 per cent. <i>ad valorem</i> or two annas per square foot, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....
59(5)	DOMESTIC EARTHENWARE, china and porcelain, the following, namely:—					
	(a) Tea cups and coffee cups—					
	(i) having a capacity of more than 7½ ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or ten annas per dozen, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....
	(ii) having a capacity of not more than 7½ ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or four annas per dozen, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....
	(b) Saucers—					
	(i) for use with tea cups or coffee cups having a capacity of more than 7½ ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or five annas per dozen, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....
	(ii) for use with tea cups or coffee cups having a capacity of not more than 7½ ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or two annas per dozen, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....
	(c) Tea-pots—					
	(i) having a capacity of more than 20 ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 3 per dozen, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....
	(ii) having a capacity of more than 10 ozs. and not more than 20 ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Re. 1-8 per dozen, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....
	(iii) having a capacity of not more than 10 ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or twelve annas per dozen, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....
	(d) Sugar-bowls	Preferential revenue.	30 per cent. <i>ad valorem</i> or Re. 1-8 per dozen, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....
	(e) Jugs having a capacity of over 10 ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or twelve annas per dozen, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, 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.	
	SECTION XIII—<i>contd.</i>					
	WARES OF STONE AND OF OTHER MINERAL MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE— <i>contd.</i>					
	(f) Plates over 5½ inches in diameter—					
	(4) over 8½ inches in diameter ..	Preferential revenue.	20 per cent. <i>ad valorem</i> or Re. 1 per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(4) not over 8½ inches in diameter ..	Preferential revenue.	20 per cent. <i>ad valorem</i> or ten annas per dozen whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
50(5)	COVERED CRUCIBLES FOR GLASS-MAKING ..	Preferential revenue.	25 per cent. <i>ad valorem</i> .	15 per cent. <i>ad valorem</i>.	....	....
60	GLASS AND GLASSWARE not otherwise specified, and lacquered ware.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Aerated water bottles, empty—					
	Codd's pattern—					
	Under 10 ozs.	21 0 0				
	10 ozs.	22 0 0				
	Over 10 ozs.	24 0 0				
	Crown cork pattern—					
	7 ozs. and under ..	13 8 0				
	Over 7 ozs. up to and including 10 ozs.	14 0 0				
	Over 10 ozs.	15 0 0				
60(1)	GLASS GLOBES AND CHIMNEYS for lamps and lanterns—					
	(a) Globes for hurricane lanterns ..	Revenue ..	25 per cent. <i>ad valorem</i> or four annas and six pies per dozen, whichever is higher.	....	....	....
	(b) Other globes and chimneys having an external base diameter of over one inch.	Revenue ..	25 per cent. <i>ad valorem</i> or three annas per dozen, whichever is higher.	....	....	....
60(2)	ELECTRIC LIGHTING BULBS	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
60(3)	GLASS BANGLES, GLASS BEADS AND FALSE PEARLS	Revenue ..	50 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Glass bangles—					
	<i>China—</i>					
	Nimuchi and pasala ..	2 0 0				
	Bracelet, Jodi and fancy, all kinds ..	4 0 0				
	Rajswarakh, all kinds ..	5 0 0				
	<i>Japan—</i>					
	Rushmi or lustre, all colours—					
	Fancy (including all kinds of Vankwei or zigzag but excluding hexagonal bangles).	0 1 1				
	Fancy hexagonal ..	0 0 8				
	All others ..	0 0 6				
	Hollow or tube, all colours.	0 1 3				
	Sonerikada (gobala)—					
	Containing gold in their composition.	0 12 0				
	All others	0 1 6				
	SECTION XIV.					
	REAL PEARLS, PRECIOUS STONES, PRECIOUS METALS AND WARES OF THOSE MATERIALS; COIN (SPECIE).					
61	PRECIOUS STONES, unset and imported uncut, and Pearls, unset.	....	Free .. .. .	....	....	....
61(1)	PRECIOUS STONES, unset and imported cut* ..	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
61(2)	SILVER BULLION AND SILVER SHEETS AND PLATES which have undergone no process of manufacture subsequent to rolling.†	Revenue ..	Two annas per ounce ..	....	....	....
61(3)	GOLD BULLION AND GOLD SHEETS AND PLATES which have undergone no process of manufacture subsequent to rolling.	....	Free .. .. .	....	....	....
61(4)	SILVER PLATE AND SILVER MANUFACTURES, all sorts not otherwise specified.	Revenue ..	50 per cent. <i>ad valorem</i>.	....	....	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, rubies imported cut and unset are exempt from payment of import duty.

† The rate of excise duty on the 1st January 1936, and until further notice, on all silver produced in silver works in British India, is 2 annas per ounce.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XIV—<i>contd.</i>						
REAL PEARLS, PRECIOUS STONES, PRECIOUS METALS AND WARES OF THOSE MATERIALS; COIN (SPECIE) <i>—contd.</i>						
61(5)	SILVER THREAD AND WIRE (including so-called gold thread and wire mainly made of silver) and silver leaf including also imitation gold and silver thread and wire, lametta and metallic spangles and articles of a like nature, of whatever metal made.*	Protective ..	62½ per cent. <i>ad valorem</i>.	....	....	March 31st, 1941.
61(6)	GOLD PLATE, GOLD LEAF AND GOLD MANUFACTURES, all sorts not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i>.	....	....	....
61(7)	GOLD OR GOLD-PLATED PEN NIBS	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
61(8)	ARTICLES, other than cutlery and surgical instruments, plated with gold or silver.†	Revenue ..	50 per cent. <i>ad valorem</i>.	....	....	....
61(9)	CUTLERY, plated with gold or silver	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
61(10)	JEWELLERY AND JEWELS‡	Revenue ..	50 per cent. <i>ad valorem</i>.	....	....	....
62	CURRENT COIN OF THE GOVERNMENT OF INDIA .. .. .	....	Free .. .. .	....	....	....
62(1)	SILVER COIN, not otherwise specified	Revenue ..	Two annas per ounce ..	....	....	....
62(2)	GOLD COIN .. .. .	....	Free .. .. .	....	....	....
SECTION XV.						
BASE METALS AND ARTICLES MADE THEREFROM.						
63	IRON OR STEEL, old <i>Tariff value—</i> Per cwt. Iron or steel, old. Rs. s. p. 1 0 0	Revenue ..	15½ per cent. <i>ad valorem</i>.	....	....	....
63(1)	IRON ALLOYS, viz., ferro-manganese, ferro-silicon, ferro-chrome, spiegelisen and the like as commonly used for steel making.	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(2)	IRON OR STEEL ANGLE, CHANNEL, TEE, PLATE, BEAM, ZED, TROUGH AND PILING— (a) not fabricated— (i) of British manufacture— not coated with other metals..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India; † or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	coated with other metals ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India; † or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India; † plus Rs. 43 per ton.	....	....	March 31st, 1941.
	(b) fabricated— (i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India; † plus Rs. 40 per ton.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India; † plus Rs. 40 per ton.	....	....	March 31st, 1941.

* 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 50 per cent. *ad valorem*.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, articles of imitation jewellery (including buttons and other fasteners) which consist of, or include, base metal plated with gold or silver and in which the proportion of precious metal to total metallic contents is less than 1.5 per cent., are liable to duty as 'hardware, other sorts' at the standard rate of 30 per cent. *ad valorem* or the preferential rate of 20 per cent. *ad valorem*, as the case may be under Item No. 71.

‡ The rate of excise duty on the 1st January, 1936, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XV—<i>contd.</i>						
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>						
63(3)	IRON OR STEEL BAR AND ROD—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 39 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
63(4)	IRON, Pig	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff value—</i>					
	Per ton.					
	Rs. a. p.					
	Iron, pig		65 0 0			
63(5)	IRON RICE BOWLS	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(6)	CAST IRON PIPES AND TUBES: also cast iron fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like—					
	(i) of British manufacture	Protective ..	10 per cent. <i>ad valorem</i>.	....	....	March 31st, 1941.
	(ii) not of British manufacture	Protective ..	Rs. 57-8-0 per ton ..	....	....	March 31st, 1941.
63(7)	CAST IRON PLATES	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(8)	STEEL INGOTS	Preferential revenue.	The excise duty leviable for the time being on steel ingots produced in British India* or 20 per cent. <i>ad valorem</i> , whichever is higher.	The excise duty leviable for the time being on steel ingots produced in British India† or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....
	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(9)	IRON OR STEEL STRUCTURES, fabricated partially or wholly, not otherwise specified, if made mainly or wholly of iron or steel bars, sections, plates or sheets, for the construction of buildings, bridges, tanks, well curbs, trestles, towers and similar structures or for parts thereof, but not including builders' hardware or any of the articles specified in Item Nos. 72, 72(3), 74(1), 75(3), 76(4) or 76(1)—					
	(a) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton.	....	....	March 31st, 1941.
	(b) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton.	....	....	March 31st, 1941.
63(10)	STEEL, TINPLATES AND TINNED SHEETS, including tin taggers, and cuttings of such plates, sheets or taggers—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 38 per ton.	....	....	March 31st, 1941.
	(ii) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 59 per ton.	....	....	March 31st, 1941.

* The rate of excise duty on the 1st January, 1936, 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 billets are exempt from payment of the alternative *ad valorem* duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XV—<i>contd.</i>						
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>						
63(11)	IRON OR STEEL ANCHORS AND CABLES ..	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(12)	A. IRON OR STEEL BOLTS AND NUTS, including hook-bolts and nuts for roofing but excluding fish bolts and nuts—					
	(i) of British manufacture*	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 1-9-0 per cwt.	....	....	March 31st, 1941.
	B. IRON OR STEEL FISH BOLTS AND NUTS—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 4-5-0 per cwt.	....	....	March 31st, 1941.
63(13)	IRON OR STEEL EXPANDED METAL	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(14)	IRON OR STEEL HOOPS AND STRIPS	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(15)	IRON OR STEEL RIVETS—					
	(i) of British manufacture‡	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 1-14-0 per cwt.	....	....	March 31st, 1941.
63(16)	IRON OR STEEL NAILS AND WASHERS, all sorts not otherwise specified.	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff values—</i>					
		Per cwt.				
		Rs. s. p.				
	Nails and washers—					
	Nails, iron and deck ..	11 0 0				
	Nails, bullock and horse-shoe ..	37 8 0				
	Washers, black, structural ..	8 12 0				
63(17)	IRON OR STEEL PIPES AND TUBES AND FITTINGS THEREOF, if riveted or otherwise built up of plates or sheets—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 12 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India† plus Rs. 35 per ton.	....	....	March 31st, 1941.
63(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.	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....

* Under Government of India, Finance Department (Central Revenue), 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. 37-4 per ton.

† The rate of excise duty on the 1st January 1936, 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. 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. 43-8 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XV—<i>contd.</i>						
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>						
83(19)	IRON ON STEEL PLATES excluding cast iron plates—					
	(a) not fabricated—					
	(i) of British manufacture—					
	not coated with other metals ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	coated with other metals ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 25 per ton.	....	....	March 31st, 1941.
	(b) fabricated—					
	(i) of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton.	....	....	March 31st, 1941.
83(20)	IRON ON STEEL SHEETS—					
	(a) not fabricated—					
	(1) not galvanised—					
	(i) of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 11 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 32 per ton.	....	....	March 31st, 1941.
	(2) galvanised—					
	(i) of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton.	....	....	March 31st, 1941.
	(b) fabricated—					
	(1) not galvanised—					
	(i) of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 12 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 35 per ton.	....	....	March 31st, 1941.

* The rate of excise duty on the 1st January, 1936, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
	SECTION XV—<i>contd.</i>					
	BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>					
	(b) fabricated— <i>contd.</i>					
	(2) galvanized—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 11 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 44 per ton.	....	....	March 31st, 1941.
63(21)	IRON OR STEEL RAILWAY TRACK MATERIAL—					
	A. Rails (including tramway rails the heads of which are not grooved)—					
	(a) 30 lbs. per yard and over, and fish-plates therefor—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* or 20 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(b) under 30 lbs. per yard and fish-plates therefor—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 38 per ton.	....	....	March 31st, 1941.
	B. Switches and crossings including stretcher bars and other component parts, and switches and crossings including stretcher bars and other component parts for tramway rails the heads of which are not grooved—					
	(a) for rails 30 lbs. per yard and over—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* or 20 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(b) for rails under 30 lbs. per yard—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 11 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 43 per ton.	....	....	March 31st, 1941.

* The rate of excise duty on the 1st January, 1936, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XV—<i>contd.</i>						
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>						
	C. Sleepers, and sleeper bars, other than cast iron—					
	(i) of British manufacture*	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India; † or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture* ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India; † or 20 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	D. Spikes (other than dog-spikes) and tie-bars—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus Rs. 30 per ton.	....	....	March 31st, 1941.
	E. Dog-spikes—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus 7 annas per cwt.; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus Rs. 2-15-0 per cwt.	....	....	March 31st, 1941.
	F. Gibs, cotters, keys (including tapered key bars), distance pieces and other fastenings for use with iron or steel sleepers—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus 7 annas per cwt.; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus Rs. 2-15-0 per cwt.	....	....	March 31st, 1941.
63(22)	IRON OR STEEL RAILWAY TRACK MATERIALS not otherwise specified, including bearing plates, cast iron sleepers and lever boxes.	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(23)	IRON OR STEEL TRAMWAYS TRACK MATERIALS not otherwise specified, including rails, fish-plates, tie-bars, switches, crossings and the like materials of shapes and sizes specially adapted for tramway tracks.	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(24)	IRON OR STEEL BARBED OR STRANDED WIRE AND WIRE ROPE.	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(25)	IRON OR STEEL WIRE, other than barbed or stranded wire, wire rope or wire netting; and iron or steel wire nails—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus Rs. 25 per ton.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus Rs. 60 per ton.	....	....	March 31st, 1941.

* Under Government of India, Finance Department (Central Revenues), Notification No. 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.

† The rate of excise duty on the 1st January, 1936, 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 producer or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XV—<i>contd.</i>						
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>						
63(26)	IRON OR STEEL (other than bar or rod) specially designed for the reinforcement of concrete.	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(27)	IRON OR STEEL, the original material (but not including machinery) of any ship or other vessel intended for inland or harbour navigation which has been assembled abroad, taken to pieces and shipped for reassembly in India—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;* or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 27-8-0 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	Provided that articles dutiable under this item shall not be deemed to be dutiable under any other item.					
63(28)	ALL SORTS OF IRON AND STEEL AND MANUFACTURES THEREOF not otherwise specified.†	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff values—</i> Per can. Rs. a. p.					
	Iron and Steel cans or drums—					
	When imported containing kerosene and motor spirit, namely:—					
	Cans, tinned, of four gallons capacity.	0 6 0				
	Cans or drums, not tinned, of two gallons capacity—	Per can or drum.				
	(a) with faucet caps.	0 14 0				
	(b) ordinary	0 6 0				
	Drums of four gallons capacity—	Per drum.				
	(a) with faucet caps.	1 4 0				
	(b) ordinary	0 12 0				
63(29)	ENAMELLED IRONWARE, the following, namely:—					
	(a) Sign-boards	Preferential revenue.	30 per cent. <i>ad valorem</i> or four and a half annas per square foot, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(b) Domestic hollow-ware, the following, namely, basins, bowls, dishes, plates and thalas, including rice-cups, rice-bowls and rice-plates—					
	(i) having no diameter exceeding 19 centimetres.	Preferential revenue.	30 per cent. <i>ad valorem</i> or per dozen four annas plus one anna for every two centimetres or part thereof by which any diameter exceeds 11 centimetres, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(ii) having any diameter exceeding 19 centimetres.	Preferential revenue.	30 per cent. <i>ad valorem</i> or per dozen eight annas plus two annas for every two centimetres or part thereof by which any diameter exceeds 19 centimetres, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
64	COPPER, WROUGHT, AND MANUFACTURES OF COPPER, all sorts not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff values—</i> Per cwt. Rs. a. p.					
	Copper, braziers, sheets, plates and sheathing.	28 0 0				
	Copper, circles	32 0 0				
	Copper, foil or dankpana, plain, white, 10 to 11 in. x 4 to 5 in.	1 1 0				
	Copper, foil or dankpana, plain, coloured, 10 to 11 in. x 4 to 5 in.	1 1 0				

* The rate of excise duty on the 1st January, 1936, 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 billets are exempt from so much of the customs duty as is in excess of the excise duty leviable for the time being on steel ingots produced in British India. The rate of excise duty on the 1st January, 1936, and until further notice is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XV—<i>contd.</i>						
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>						
64(1)	COPPER, SCRAP <i>Tariff value—</i> Per cwt. Rs. s. p. Copper, old 23 0 0	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
65	GERMAN SILVER including nickel silver .. <i>Tariff value—</i> Per cwt. Rs. s. p. German silver including nickel silver, old. 23 0 0	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
66	ALUMINIUM—CIRCLES, SHEETS AND OTHER MANUFACTURES not otherwise specified. <i>Tariff values—</i> Per lb. Rs. s. p. Aluminium circles 0 8 6 Aluminium sheets, plain .. 0 8 0	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
66(1)	UNWROUGHT INGOTS, BLOCKS AND BARS OF ALUMINIUM.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
67	LEAD, wrought—the following articles, namely, pipes and tubes and sheets other than sheets for tea chests.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
67(1)	LEAD SHEETS FOR TEA CHESTS.. .. .	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
68	ZINC OR SPALTER, wrought or manufactured, not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
68(1)	ZINC, unwrought, including cakes, ingots, tiles (other than boiler tiles), hard or soft slabs and plates, dust, dross and ashes; and broken zinc.	....	Free .. .. .	....	....	....
69	TIN, BLOCK	Revenue ..	Rs. 312-8 per ton ..	....	....	....
70	BRASS, BRONZE AND SIMILAR ALLOYS, wrought, and manufactures thereof not otherwise specified. <i>Tariff values—</i> Per cwt. Rs. s. p. Brass, patent or yellow metal, sheets and sheathing, weighing 1 lb. or above per square foot, and braziers, and plates. 27 8 0 Brass, patent or yellow metal, circles weighing 1 lb. or above per square foot. 27 8 0	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
70(1)	ALL SORTS OF METALS OTHER THAN IRON AND STEEL, AND MANUFACTURES THEREOF, not otherwise specified.* <i>Tariff values—</i> Per cwt. Rs. s. p. Brass, patent or yellow metal (including gun metal) ingots. 17 0 0 Brass, patent or yellow metal (including gun metal), old. 16 0 0 Copper, pigs, tiles, ingots, cakes, bricks and slabs. 24 0 0 Cupro-nickel bullet cases, old. 30 0 0 Lead, pig 10 0 0 Quicksilver Per lb. 2 4 0	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
71	HARDWARE, IRONMONGERY AND TOOLS, all sorts not otherwise specified, including incandescent mantles but excluding machine tools and agricultural implements. <i>Tariff value—</i> Per gross. Rs. s. p. Crown corks 0 8 0	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
71(1)	THE FOLLOWING HARDWARE, IRONMONGERY AND TOOLS, namely, agricultural implements not otherwise specified, buckets of tinned or galvanized iron, and pruning-knives.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
71(2)	CUTLERY, all sorts not otherwise specified ..	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
71(3)	METAL FURNITURE AND CABINETWARE ..	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
71(4)	PRINTING TYPE	Revenue ..	One anna and three pies per lb.	....	....	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, radium is exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
	SECTION XV—<i>concid.</i>					
	BASE METALS AND ARTICLES MADE THEREFROM—<i>concid.</i>					
71(5)	THE FOLLOWING PRINTING MATERIALS, namely, leads, brass rules, wooden and metal galleys, shooting sticks and galleys and metal furniture.	Revenue ..	2½ per cent. <i>ad valorem</i>.	....	....	....
71(6)	RACKS FOR THE WITHERING OF TEA LEAF* ..	Revenue ..	2½ per cent. <i>ad valorem</i>.	....	....	....
	SECTION XVI.					
	MACHINERY AND APPARATUS: ELECTRICAL MATERIAL.					
72	MACHINERY, namely, such of the following articles as are not otherwise specified:— (a) prime-movers, boilers, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts; (b) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts; (c) apparatus and appliances, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose; (d) control, gear self-acting or otherwise, and transmission-gear designed for use with any machinery above specified, including belting of all materials (other than cotton, hair and canvas ply) and driving chains, but excluding driving ropes not made of cotton; (e) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not, and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof. <i>Note.</i> —The term 'industrial system' used in sub-item (e) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.	Revenue ..	10 per cent. <i>ad valorem</i>.	....	....	....
72(1)	THE FOLLOWING TEXTILE MACHINERY AND APPARATUS 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 cards; Jacquard cards; punching plates for Jacquard cards; warping mills; multiple box sleys; solid border sleys; tape sleys; swivel sleys; tape looms; wool carding machines; woolspinning machines; hosiery machinery; coir mat shearing machines; coir fibre willowing machines; heald knitting machines; dobby 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 hooks; 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>.	....	....	....

* 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 are also liable to duty at 2½ per cent. *ad valorem*.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, as amended subsequently, the following textile machinery and apparatus, namely, (1) ground stamping machines, (2) automatic hand repeating machines, (3) pattern cutting machines, (4) cloth analysis machines, (5) hand card punches, (6) Jacquard harness linen cords and (7) automatic weaver knotters are also liable to duty at 10 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XVI—<i>contd.</i>						
MACHINERY AND APPARATUS; ELECTRICAL MATERIAL—<i>contd.</i>						
72(2)	PRINTING AND LITHOGRAPHIC MATERIAL, namely, presses, lithographic plates, composing sticks, chases, imposing tables, lithographic stones, stereo-blocks, wood blocks, half-tone blocks, electrotypes 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 mifreing machines, bronzing machines, stereotyping apparatus, paper folding machines, paging machines but excluding ink and paper.	Revenue ..	10 per cent. <i>ad valorem</i>.	....	....	....
72(3)	COMPONENT PARTS OF MACHINERY as defined in Items Nos. 72, 72(1) and 72(2), namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose: Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.	Revenue ..	10 per cent. <i>ad valorem</i>.	....	....	....
72(4)	PASSENGER LIFTS AND COMPONENT PARTS AND ACCESSORIES THEREOF.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
72(5)	DOMESTIC REFRIGERATORS	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
72(6)	MACHINERY AND COMPONENT PARTS THEREOF, meaning machines or parts of machines to be worked by manual or animal labour, not otherwise specified, and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one-quarter of one brake-horse-power.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
72(7)	WATER-LIFTS, SUGAR-MILLS, SUGAR CENTRIFUGES, SUGAR PUG-MILLS, OIL-PRESSES, AND PARTS THEREOF, when constructed so that they can be worked by manual or animal power and pans for boiling sugar-cane juice.	....	Free .. .. .	....	....	....
72(8)	THE FOLLOWING AGRICULTURAL IMPLEMENTS, namely, winnowers, threshers, mowing and reaping machines, binding machines, elevators, seed and corn crushers, chaff-cutters, root-cutters, ensilage-cutters, horse and bullock gear, ploughs, cultivators, scarifiers, harrows, clod-crushers, seed-drills, hay-tedders, hay presses, potato-diggers, latex spouts, spraying machines, powder-blowers, white-ant exterminating machines, beet pullers, 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 .. .. .	....	....	....
72(9)	THE FOLLOWING DAIRY AND POULTRY FARMING APPLIANCES, namely, cream separators, milking machines, milk sterilising or pasteurizing plant, milk aerating 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 .. .. .	....	....	....

* Under Government of India, Finance Department (Central Revenue) 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.	
SECTION XVI—<i>contd.</i>						
MACHINERY AND APPARATUS; ELECTRICAL MATERIAL—<i>contd.</i>						
73	ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, not otherwise specified, excluding telegraphic and telephonic.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	..
73(1)	THE FOLLOWING ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, namely:— Electrical Control Gear and Transmission Gear, namely, switches (excluding switch-boards), fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten amperes and at a pressure not exceeding 250 volts; and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which, not being one specially designed as a pilot core, has a sectional area of less than one-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.	30 per cent. <i>ad valorem</i> .	20 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.* † ‡	Revenue	25 per cent. <i>ad valorem</i>.	....	....	..
73(3)	TELEGRAPHIC INSTRUMENTS AND APPARATUS AND PARTS THEREOF, imported by, or under the orders of, a Railway Administration.	Revenue	15½ per cent. <i>ad valorem</i>.	....	....	....
73(4)	WIRELESS RECEPTION INSTRUMENTS AND APPARATUS AND COMPONENT PARTS THEREOF, including all electric valves, amplifiers and loud speakers which are not specially designed for purposes other than wireless reception or are not original parts of and imported along with instruments or apparatus so designed.*	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
73(5)	ELECTRICAL EARTHENWARE AND PORCELAIN, the following, namely:— (a) Insulators, Shackle, Sinclair, Cordesaux or Pin-type, not otherwise specified— (i) fitted (ii) not fitted (b) Two-way cleats (c) Spacing insulators	Preferential revenue. Preferential revenue. Preferential revenue. Preferential revenue.	30 per cent. <i>ad valorem</i> or Re. 1-2 per dozen, whichever is higher. 30 per cent. <i>ad valorem</i> or fourteen annas per dozen, whichever is higher. 30 per cent. <i>ad valorem</i> or four annas per gross of pairs, whichever is higher. 30 per cent. <i>ad valorem</i> or two annas per gross, whichever is higher.	20 per cent. <i>ad valorem</i> . 20 per cent. <i>ad valorem</i> . 20 per cent. <i>ad valorem</i> . 20 per cent. <i>ad valorem</i>.	................	................

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, the following wireless apparatus is liable to duty at 2½ per cent. *ad valorem*:—

(i) apparatus for wireless reception [excluding apparatus specially designed for the reception of broadcast wireless and apparatus of the description specified in clause (ii)] and component parts of such apparatus, when imported under cover of a certificate issued by the Director-General of Posts and Telegraphs to the effect that he is satisfied that the apparatus will not be used for the reception of broadcast wireless;

(ii) apparatus for wireless reception incorporated in a single unit with transmitting apparatus;

(iii) wireless transmission apparatus and component parts thereof;

Provided that nothing shall be deemed to be a component part of apparatus for wireless telegraphy or telephony for the purpose of this exemption unless it is essential for the working of such apparatus and has been given for that purpose some special shape or quality that would not be essential for its use for any other purpose.

† Under Government of India, Finance Department (Central Revenues), Notification No. 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 15½ per cent. *ad valorem*, provided that, (i) at the time of delivering the bill-of-entry for warehousing a declaration is made thereon by the importer to the effect that the goods have been imported for supply from bond for the use of a Railway Administration; and (ii) a certificate from an Officer of the Railway Administration, duly empowered in that behalf by the Agent, is produced along with the application for clearance out of bond that the goods in question are not merely guaranteed stock, but will be definitely appropriated for the use of such Railway on clearance from bond.

‡ 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 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.	
	SECTION XVI—<i>concl.</i>					
	MACHINERY AND APPARATUS; ELECTRICAL MATERIAL—<i>concl.</i>					
	(A) Ceiling roses—					
	(i) fitted	Preferential revenue.	30 per cent. <i>ad valorem</i> or ten annas per dozen, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....
	(ii) not fitted	Preferential revenue.	30 per cent. <i>ad valorem</i> or eight annas per dozen, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....
	(B) Joint-box cut-outs—					
	(i) fitted	Preferential revenue.	30 per cent. <i>ad valorem</i> or eight annas per dozen, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....
	(ii) not fitted	Preferential revenue.	30 per cent. <i>ad valorem</i> or six annas per dozen, whichever is higher.	20 per cent. <i>ad valorem.</i>	....	....
73(6)	RUBBER-INSULATED COPPER WIRES AND CABLES, no core of which, other than one specially designed as a pilot core, has a sectional area of less than one-eightieth part of a square inch, whether made with any additional insulating or covering material or not.	Revenue ..	6½ per cent. <i>ad valorem.</i>	....	....	....
	SECTION XVII.					
	TRANSPORT MATERIAL.					
74	COAL TUBS, TIPPING WAGONS AND THE LIKE CONVEYANCES, designed for use on light rail track, if adapted to be worked by manual or animal labour and if made mainly of iron or steel; and component parts thereof made of iron or steel—					
	(a) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(b) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
74(1)	TRAMCARS AND COMPONENT PARTS AND ACCESSORIES THEREOF.	Revenue ..	25 per cent. <i>ad valorem.</i>	....	....	....
74(2)	RAILWAY MATERIALS FOR PERMANENT-WAY AND ROLLING-STOCK, namely, sleepers, other than iron and steel, and fastenings therefor; bearing plates, chairs, interlocking apparatus, brake-gear, shunting aids, couplings and springs, signals, turn-tables, weigh-bridges, carriages, wagons, traversers, rail removers, scooters, trolleys, trucks; also cranes, water-cranes and water-tanks when imported by or under the orders of a railway administration:	Revenue ..	15½ per cent. <i>ad valorem.</i>	....	....	....
	Provided that for the purpose of this entry 'railway' means a line of railway subject to the provisions of the Indian Railways Act, 1890, and includes a railway constructed in a State in India and also such tramways as the Governor-General in Council may, by notification in the <i>Gazette of India</i> , specifically include therein:					
	Provided also that articles of machinery as defined in Item No. 72 or No. 72 (3) shall not be deemed to be included hereunder.					
74(3)	COMPONENT PARTS OF RAILWAY MATERIALS, as defined in Item No. 74 (2), namely, such parts only as are essential for the working of railways and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose:	Revenue ..	15½ per cent. <i>ad valorem.</i>	....	....	....
	Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the railway material to which they belong, if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.					

* The rate of excise duty on the 1st January, 1936, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XVII—<i>concl.</i>						
TRANSPORT MATERIAL—<i>concl.</i>						
75	CONVEYANCES not otherwise specified and component parts and accessories thereof; also motor vans and motor lorries imported complete.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
75(1)	MOTOR CARS including taxi cabs and articles (other than rubber tyres and tubes) adapted for use as parts and accessories thereof, provided that such articles as are ordinarily also used for other purposes than as parts and accessories of motor vehicles included in this item or in Items Nos. 75 (2) and 75 (3) shall be dutiable at the rate of duty specified for such articles.	Preferential revenue.	37½ per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i>.	....	....
75(2)	MOTOR CYCLES AND MOTOR SCOOTERS AND ARTICLES (other than rubber tyres and tubes) adapted for use as parts and accessories thereof except such articles as are also adapted for use as parts and accessories of motor cars.	Revenue	37½ per cent. <i>ad valorem</i>.	....	....	....
75(3)	MOTOR OMNIBUSES; chassis of motor omnibuses, motor vans and motor lorries; and parts of mechanically propelled vehicles and accessories not otherwise specified, excluding rubber tyres and tubes and such parts and accessories of motor vehicles included in this item as are also adapted for use as parts and accessories of motor cars.	Preferential revenue.	25 per cent. <i>ad valorem</i> .	17½ per cent. <i>ad valorem</i>.	....	....
75(4)	CARRIAGES AND CARTS which are not mechanically propelled, not otherwise specified, and cycles (other than motor cycles) imported entire or in sections and parts and accessories thereof; excluding rubber tyres and tubes.*	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
76	AEROPLANES, aeroplane parts, aeroplane engines, aeroplane engine parts and rubber tyres and tubes used exclusively for aeroplanes.†	Revenue	2½ per cent. <i>ad valorem</i>.	....	....	....
76(1)	SHIPS AND OTHER VESSELS FOR INLAND AND HARBOUR NAVIGATION, including steamers, launches, boats and barges imported entire or in sections: Provided that articles of machinery as defined in Item No. 72 or No. 72 (3) shall, when separately imported, not be deemed to be included hereunder.	Revenue	15½ per cent. <i>ad valorem</i>.	....	....	....
76(2)	LIGHT SHIPS .. .. .	....	Free .. .. .	....	....	....
76(3)	FURNITURE TACKLE AND APPAREL, not otherwise described, for steam-sailing, rowing and other vessels.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
SECTION XVIII.						
SCIENTIFIC AND PRECISION INSTRUMENTS AND APPARATUS; WATCH-MAKERS' AND CLOCK-MAKERS' WARES; MUSICAL INSTRUMENTS.						
77	INSTRUMENTS, apparatus and appliances other than electrical, all sorts not otherwise specified, including photographic, scientific, philosophical and surgical.‡	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
77(1)	INSTRUMENTS, apparatus and appliances, imported by a passenger as part of his personal baggage and in actual use by him in the exercise of his profession or calling.	....	Free .. .. .	....	....	....
77(2)	OPTICAL INSTRUMENTS, apparatus and appliances.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
78	CLOCKS AND WATCHES AND PARTS THEREOF ..	Revenue	50 per cent. <i>ad valorem</i>.	....	....	....
79	MUSICAL INSTRUMENTS AND PARTS THEREOF, all sorts not otherwise specified.	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
79(1)	THE FOLLOWING MUSICAL INSTRUMENTS, namely, complete organs and harmoniums and records for talking machines.	Revenue	50 per cent. <i>ad valorem</i>.	....	....	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, wheels of bullock carts fitted with pneumatic tyres and tubes specially designed for use on bullock carts, including such wheels fitted with axles and hubs, are liable to duty at the rate of 15 per cent. *ad valorem* when they are liable to a standard rate of duty and at the rate of 5 per cent. *ad valorem* when they are liable to a preferential rate of duty.

† Under Government of India, Finance Department (Central Revenues), Notification No. 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 2½ per cent. *ad valorem*.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, photo-litho films are liable to duty at 10 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XIX.						
ARMS AND AMMUNITION.						
80	SAVE where otherwise specified, all articles which are arms or parts of arms within the meaning of the Indian Arms Act, 1878 (excluding springs used for air guns), all tools used for cleaning or putting together the same, all machines for making, loading, closing or capping cartridges for arms other than rifled arms and all other sorts of ammunition and military stores, and any articles which the Governor-General in Council may, by notification in the <i>Gazette of India</i> , declare to be ammunition or military stores for the purposes of this Act.*	Revenue	50 per cent. <i>ad valorem</i>.	.....	.....	.....
80(1)	SUSJECT to the exemptions specified in Item No. 80 (3)—Firearms, including gas and air guns, gas and air rifles and gas and air pistols, not otherwise specified, but excluding parts and accessories thereof.*	Preferential revenue.	Rs. 18-12 each plus 10 per cent. <i>ad valorem</i> , or 50 per cent. <i>ad valorem</i> , whichever is higher.	Rs. 18-12 each or 40 per cent. <i>ad valorem</i> , whichever is higher.	.....	.....
80(2)	SUSJECT to the exemptions specified in Item No. 80 (3)—					
	(a) Barrels, whether single or double, for firearms, including gas and air guns, gas and air rifles, and gas and air pistols, not otherwise specified.	Revenue	Rs. 18-12 each	} or 37½ per cent. <i>ad valorem</i> whichever is higher, plus 12½ per cent. <i>ad valorem</i>.	.....	.....
	(b) Main springs and magazine springs for firearms, including gas guns, gas rifles and gas pistols.	Revenue	Rs. 6-4 each		.....	.....
	(c) Gun stocks and 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	50 per cent. <i>ad valorem</i>.	.....	.....
	(g) Machines for capping cartridges for rifled arms.	Revenue	50 per cent. <i>ad valorem</i>.	.....	.....
80(3)	THE FOLLOWING ARMS, AMMUNITIONS AND MILITARY STORES:—	.....	Free	.....	.....	.....
	(a) Arms forming part of the regular equipment of a commissioned or gazetted officer in His Majesty's Service entitled to wear diplomatic, military, naval, Royal Air Force or police uniform.					
	(b) A revolver and an automatic pistol and ammunition for such revolver and pistol up to a maximum of 100 rounds per revolver or pistol, (i) when accompanying a commissioned officer of His Majesty's regular forces, or of the Indian Auxiliary Force or the Indian Territorial Force or a gazetted police officer, or (ii) certified by the commandant of the corps to which such officer belongs, or, in the case of an officer not attached to any corps, by the officer commanding the station or district in which such officer is serving or, in the case of a police officer, by an Inspector-General or Commissioner of Police, to be imported by the officer for the purpose of his equipment.					
	(c) Swords for presentation as army or volunteer prizes.					
	(d) Arms, ammunition and military stores imported with the sanction of the Government of India for the use of any portion of the military forces of a State in India being a unit notified in pursuance of the First Schedule to the Indian Extradition Act, 1903.					
	(e) Morris tubes and patent ammunition imported by officers commanding British and Indian regiments or volunteer corps for the instruction of their men.†					

* 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.

† Under Government of India Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, .22 inch A-14pters and aim teachers, imported by officers commanding a unit of the Army in India for the instruction of their men are also exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—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.	
SECTION XIX—cont'd.						
ARMS AND AMMUNITION—cont'd.						
30(4)	ORNAMENTAL ARMS OF AN OBSOLETE PATTERN possessing only an antiquarian value; masonic and theatrical and fancy dress swords, provided they are virtually useless for offensive or defensive purposes; and <i>daks</i> intended exclusively for domestic, agricultural and industrial purposes.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
31	CARTRIDGE CASES, filled and empty	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
SECTION XX.						
MISCELLANEOUS GOODS AND PRODUCTS NOT ELSEWHERE INCLUDED.						
32	CORAL, prepared	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
32(1)	IVORY, manufactured, not otherwise specified.	Revenue ..	50 per cent. <i>ad valorem</i>.	....	....	....
32(2)	BANGLES AND BEADS, not otherwise specified.	Revenue ..	50 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Celluloid bangles—	Per doz. pairs. Rs. a. p.				
	(1) Plain, flat, with border or without border or grooved, but excluding multiple borders or grooves—of width not over $\frac{3}{4}$ inch but not under $\frac{1}{4}$ inch.	0 9 0				
	(2) Rubber rings excluding coils.	0 1 6				
	(3) Zigzag, all colours ..	0 1 2				
33	BRUSHES, all sorts	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
34	TOYS, games, playing cards and requisites for games and sports, bird shot, toy cannons, air guns and air pistols for the time being excluded in any part of British India from the operation of all the prohibitions and directions contained in the Indian Arms Act, 1878, and bows and arrows.	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff value—</i>	Per cwt. Rs. a. p.				
	Bird shot	25 0 0				
35	BUTTONS, metal	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
35(1)	SMOKERS' REQUISITES excluding tobacco and matches.	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
	Provided that mechanical lighters as defined in the Mechanical Lighters (Excise Duty) Act, 1934, shall be liable in addition to a duty equal to the amount of the excise duty imposed by that Act, on mechanical lighters manufactured in British India.*					
SECTION XXI.						
WORKS OF ART AND ARTICLES FOR COLLECTIONS.						
36	PRINTS, ENGRAVINGS AND PICTURES (including photographs and picture post cards), not otherwise specified.†	Revenue ..	50 per cent. <i>ad valorem</i>.	....	....	....
36(1)	ART, works of, not otherwise specified ..	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
36(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 .. .. .	....	....	....
36(3)	SPECIMENS, MODELS AND WALL DIAGRAMS illustrative of natural science, and medals and antique coins.‡	....	Free .. .. .	....	....	....
36(4)	POSTAGE STAMPS, whether used or unused ..	....	Free .. .. .	....	....	....
SECTION XXII.						
ARTICLES NOT OTHERWISE SPECIFIED.						
37	ALL OTHER ARTICLES not otherwise specified, including articles imported by post.‡	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....

* The rate of excise duty on the 1st January, 1936, and until further notice is Re. 1-8 per lighter.

† 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 wreathe 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*.

SCHEDULE II—EXPORT TARIFF.

No.	Names of articles.	Per	Rate of duty.
	JUTE, OTHER THAN BIMLIPATAM JUTE.		
			Rs. a.
1	RAW JUTE—		
	(1) Cuttings	Bale of 400 lbs.	1 4
	(2) All other descriptions	Bale of 400 lbs.	4 8
2	JUTE MANUFACTURES, when not in actual use as coverings, receptacles or bindings, for other goods—		
	(1) SACKING (cloth bags, twist, yarn, rope and twine)*	Ton of 2,240 lbs.	20 0
	(2) Hessians and all other descriptions of jute manufactures not otherwise specified.†	Ton of 2,240 lbs.	32 0
3			
	RICE.		
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.

* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June 1935, bagging for raw cotton made from cadis rove or from rove containing, in addition to cadis or other material not subject to export duty, not more than 15 per cent. jute weighing not less than 1½ lbs. per square yard and having a total of not more than 140 single or double warp and weft threads per square yard, is exempt from payment of export duty, and bagging for raw cotton made from jute rove (excluding bagging specified above as exempt from payment of export duty), weighing not less than 1½ lbs. per square yard and having a total of not more than 250 warp and weft threads per square yard, is liable to export duty 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.

‡ There is no entry bearing Item No. 3.

Report for the Year 1935.

Section IV.

**SPEECH OF THE FINANCE MEMBER
ON
INTRODUCTION OF BUDGET FOR 1936-37.**

SPEECH BY THE HON'BLE FINANCE MEMBER ON INTRODUCING
THE BUDGET PROPOSALS FOR 1936-37.

1. A year ago I commented on the complicated character of a financial review which had of necessity to cover three years instead of the normal two. I still find this difference from English practice slightly confusing and I must therefore apologise in advance in case it should be found that my statement to-day is lacking in perspicuity.

I am afraid too that the statement may prove to be dull and this I suppose is inevitable, seeing that a budget speech must proceed on a set plan. But if you find it dull please remember that I shall find it much more so, if for no other reason than that it is so much more familiar to me than to you.

FINANCIAL YEAR 1934-35.

2. Let me first examine the final accounts for 1934-35.

Last year I anticipated that they would disclose a surplus of Rs. 3,27 lakhs. The actual figure has proved to be Rs. 4,95 lakhs. The excess of Rs. 1,68 lakhs over the revised forecast is due in the main to an increase of Rs. 1,50 lakhs under Customs and Excise. For the rest there are excesses of Rs. 30 lakhs on Income Tax, Rs. 24 lakhs on Posts and Telegraphs, and Rs. 19 lakhs on Currency and Mint but these are partially counterbalanced by a short fall of Rs. 55 lakhs on Salt.

The decrease in Salt is due to a postponement of clearances at the end of 1934-35; the increases under the other heads I have mentioned all point to one cause, viz., that the recovery in India's economic position had set in more strongly than could have been foreseen a year ago. Under the Customs and Excise head there were increases both on imported and on indigenous kerosene, improvements in the yield of the export duties on jute and rice, and improved yield from matches, and unusually high seasonal importations of cotton fabrics, raw cotton and machinery. None of these could have been foreseen when the Budget statement was made; indeed in the case of jute the early months of 1934-35 had shewn a decline and naturally a pronounced reversal of this tendency in the last three months of that year was an agreeable surprise. Similarly telephone receipts manifested a definite spurt in the last quarter of the year, as also did the profits from small coinage owing to the increasing demand for this means of payment—a sure sign of increasing prosperity.

In short, in my inexperience I attached rather too much importance to the Cassandra-like prophecies of those who were concerned for one reason or other to proclaim that India was being ruined by its attachment to the British Empire and its adherence to sterling, and too little to the assurances of those who told me that India had a marvellous power of recuperation from economic troubles. However, I would very much rather err on the side of caution than in the other direction and I do not feel called upon to be unduly penitent, though naturally I shall try to avoid repeating the miscalculation.

The House will remember that last year it was decided to devote the then surplus of Rs. 3,27 lakhs to various non-recurring objects including a crore for constituting a Fund for the Economic Development and Improvement of Rural Areas. After these allocations had been made, there remained a free surplus which was estimated at Rs. 13 lakhs. Later in the Session the Assembly agreed to transfer the whole of the unallocated surplus to the Rural Development Fund, and now that this surplus has turned out to be much bigger than was expected, the result is that the transfers to the Fund amount not to Rs. 1,13 but to Rs. 2,81 lakhs. It will be remembered from the paper which I circulated on 6th of September last that out of this fund we allocated Rs. 15 lakhs for the improvement of the Co-operative Movement and Rs. 92½ lakhs for grants to the various Provinces on schemes approved by the Government of India. There thus remains in the fund a balance of Rs. 1,73½ lakhs. In order to present my actual proposals as one co-ordinated whole I will leave this balance and come back to its disposal when I have set out more fully the financial situation and prospects as they now appear to me.

FINANCIAL YEAR 1935-36.

3. The revised forecast for the current year also indicates a considerable improvement over our estimates of a year ago and we now anticipate a surplus of Rs. 2,42 lakhs instead of Rs. 6 lakhs. This surplus is produced by an improvement of Rs. 3,53 lakhs in revenue offset by a deterioration of Rs. 1,17 lakhs in expenditure.

The actual figures are as follows :—

						(Rs. lakhs.)	
						Budget	Revised
						1935-36.	1935-36
Revenue	..	..	..	..	..	82,99	86,52
Expenditure	..	..	..	..	..	82,93	84,10
Surplus	..	..				6	2,42

These are of course net and they exclude Railways altogether. Full details will be found in the Financial Secretary's memorandum which will be among the papers available when I have finished my speech, but clearly you will expect from me some explanation of such wide variations.

Revenue.

4. To take Revenue first. Of the excess of Rs. 3,53 lakhs the import duty on sugar is responsible for Rs. 1,85 lakhs and all the other heads of revenue account for Rs. 1,68 lakhs. What this means in effect is that the general under-estimate of 1934-35 was carried forward into 1935-36 and that in addition the tapering off of the sugar revenue has been somewhat delayed.

Apart from sugar, we hope to have an excess of Rs. 40 lakhs in Income Tax clearly due to the improvement in trade being greater than we expected, and in Customs, etc., we anticipate almost precisely the same kind of excesses as were shown by the final results of 1934-35 over the revised forecast. Raw cotton, machinery, petrol, the export duty on jute and the excises on sugar and matches are all heading for surpluses. Textile fabrics as a whole do not disclose much variation but there are large differences in detail. For example, cotton fabrics of British manufacture are Rs. 80 lakhs below the estimate, but this is more than counterbalanced by an increase of Rs. 90 lakhs in cotton fabrics of other than British manufacture.

5. *Sugar.*—Sugar I must deal with in more detail for here we expect an excess of Rs. 1,85 lakhs on the Customs side or a gross figure of Rs. 3,60 lakhs which is not very materially below the figure of last year. I know that I was told a year ago that my figures here were too low and that the bad sugarcane crop combined with the inadequate protection would falsify my predictions. Well, my predictions look like being falsified but the reasons which were then advanced do not fit the facts. Here are the facts. In spite of the partial failure of the cane crop the yield of the excise duty appears likely to be some Rs. 21 lakhs above our expectations. The estimate which was itself 50 per cent. higher than the actuals for the previous year was based on a factory outturn, excluding Khandsari production, of 510,000 tons, whereas the progress of collections points to a probable outturn of over 600,000 tons from factories alone. At the same time the volume of imports is being maintained at a figure only slightly below that of the previous year. It is a reasonable inference from these facts that there was a jump in domestic consumption combined with a decline in non-excisable forms of indigenous production but our statistics do not enable us to say how much weight to attach to these two opposing factors.

Altogether the anticipated excess on Customs, etc., is Rs. 2,87 lakhs making with the Rs. 40 lakhs expected on Income Tax, Rs. 3,27 lakhs. The remaining Rs. 26 lakhs which go to complete the Revenue excess of Rs. 3,53 lakhs represents a balance of innumerable excesses and deficiencies under other heads, but I have only time to mention a few of these.

6. *Interest.*—The revised estimates for Interest receipts have been reduced by Rs. 13 lakhs because the return anticipated on the investments constituting the Silver Redemption Reserve has been almost completely offset by a depreciation in their market value.

7. *Currency.*—This shews no serious change but the revised estimate conceals an increase on account of unclaimed currency notes combined with a short-fall owing to the fact that our share of the Reserve Bank profits was Rs. 7 lakhs less than had been anticipated.

8. *Mint.*—Here we hope for a surplus of Rs. 16 lakhs due to the greater absorption of small coin.

9. *Posts and Telegraphs.*—As will be seen from the figures I give later, we now expect the position to be Rs. 19 lakhs better than the original estimate.

Expenditure.

10. I now turn to expenditure. The main increases in the revised over the original budget estimates fall under the following headings :—

(i) *Extraordinary Payments.*—Here the increase is Rs. 41½ lakhs and this represents the expenditure which we expect to incur from Civil Funds during the current year in connection with the Quetta earthquake. This includes the Government of India's contribution of Rs. 10 lakhs to H. E. the Viceroy's Quetta Earthquake Relief Fund, the provision of the extra police, public health and administrative and clerical establishments rendered necessary by the disaster and the cost of temporary hutting and lighting arrangements, of special measures for the protection of property in the ruined city and of the labour and plant required for salvage and site clearance operations. It also provides for assistance to the rural population in repairing their irrigation channels. I shall, of course, have a good deal more to say about Quetta later on.

(ii) *Interest.*—The House is aware of course that there are two interest heads. "Interest on Ordinary Debt" consists of what we have to pay on our market obligations less what we get back in respect of our outstanding loans to Provinces and the Commercial Departments. "Interest on Other Obligations" consists of the amounts paid in respect of Provident and other Service Funds, Savings Bank Deposits and Cash Certificates. I am bound to confess that I cannot see any satisfactory reason for this division into two heads, for they are essentially one. Taking them together, they show a revised figure of Rs. 10,63 lakhs instead of Rs. 10,39 previously estimated. It is impossible to give any simple explanation of the increase for it is the result of the combined operation of a large number of forces pulling in different directions.

(iii) *Currency and Mint.*—The increase of Rs. 10 lakhs is entirely due to a larger demand for currency notes and small coin. It is of course more than made up by an increase on the Revenue side.

(iv) *Miscellaneous Adjustments.*—Here too the excess is more apparent than real for we have an increase of Rs. 15 lakhs in the payments to the Jute growing provinces, owing to an improvement of Rs. 30 lakhs in the yield of the export duty, combined with a decrease of Rs. 6 lakhs due to a transfer of a certain item to the head "Civil Administration."

The remainder of this increase of Rs. 1,17 lakhs is made up by a number of items which fall mainly under Civil Administration and under this head the principal excess is under Frontier Watch and Ward.

11. *Defence.*—The Budget figure was, as the House will remember, Rs. 44,98 lakhs and under the normal procedure any saving on this figure lapses to the Defence Reserve Fund. The principal variations within the total figure of Rs. 44,98 lakhs are as follows :—

Receipts show increases on various items totalling about Rs. 9½ lakhs. On the expenditure side substantial savings have accrued from entirely unforeseen causes. The

Despatch of troops outside India in connection with the international situation is expected to result in a saving of over Rs. 10 lakhs. In order to provide funds for emergency expenditure at Quetta, the Military Engineering Services postponed about Rs. 9½ lakhs of their new works programme, and in consequence of the earthquake the bulk, viz., Rs. 2½ lakhs, of their ordinary maintenance grant for Quetta lapsed. There has been a gain on Exchange amounting to Rs. 4½ lakhs. A further under-spending of Rs. 14 lakhs represents merely the carry forward of liabilities in respect of which the administrative authorities have been unable for various reasons to spend the allotments made in the current year.

These improvements account for about Re. 50 lakhs but against them we have to set substantial expenditures not contemplated at the time of the budget. The most important of these are about Rs. 36 lakhs arising from the earthquake in Baluchistan mainly on account of temporary housing (including tentage), transportation and stores and Rs. 12 lakhs representing that part of the cost of the Mohmand operations which is expected to be brought to final account this year.

The result of all these variations is an under-spending of Rs. 4 lakhs which will accrue to the Defence Reserve Fund.

During the course of the year certain withdrawals from the Fund have been made to finance the re-equipment programme and other measures. At the end of the year, in addition to the Rs. 4 lakhs above mentioned, we shall deposit in the Fund from the 1935-36 budget the Rs. 14 lakhs which I have referred to as representing postponed but inescapable liabilities and Rs. 22 lakhs representing the annual contributions towards the various military equalisation funds. The estimated result of all these transactions is to effect a reduction of about Rs. 25 lakhs in the balance of the Fund as it stood on the 31st March 1935.

12. *Posts and Telegraphs.*—All that remains in order to dispose for the time being of the year 1935-36 is to give a revised forecast of the results of the Posts and Telegraphs Department. For this Department we show on the Revenue side of the general budget the excess of Gross Receipts over Working Expenses while on the Expenditure side we show the Interest on the capital at charge of the Department. Here are the figures :—

	(Rs. lakhs).	
	Budget 1935-36.	Revised 1935-36.
Gross receipts	11,33	11,50
Working expenses	10,02	10,64
Net receipts	71	86
Interest charges	84	80
Balance	<u>-13</u>	<u>+ 6</u>

Thus we now expect, instead of an appreciable loss, a small profit. Lower interest rates are responsible for some of the improvement but in the main it is due to increased sales of stamps and a rise in receipts from trunk telephone calls.

Position as on 31st March, 1936.

13. To recapitulate we now expect that the current year will close with a surplus of Rs. 2,42 lakhs. This too I leave over for later examination and meanwhile I place before the Assembly the estimates for the coming year.

FINANCIAL YEAR 1936-37.

Revenue.

14. The total figures for revenue, excluding Railways, are Rs. 87,35 lakhs, an improvement of Rs. 83 lakhs over our revised estimate for the current year.

15. *Customs, etc.*—Here the receipts are estimated at Rs. 54,82 lakhs. This figure presumes a deterioration of Rs. 1,60 lakhs under the import duty on sugar and an all round improvement of Rs. 1,71 lakhs under other heads. Full details of the changes will be found in the Financial Secretary's memorandum, but I must again say a word regarding the yield of the import duty on sugar.

There are three elements in the calculation of the margin available for imports of sugar. First the growth of domestic factory production, secondly the extent to which this displaces other forms of indigenous production, and thirdly the growth of consumption. In the end we can confidently predict that the outcome of the operation of all the factors will be the reduction of sugar imports to very small dimensions. But the speed at which this result will be attained is quite uncertain. Last year the process was delayed by a partial failure of the cane crop and by a combination of the second and third of the above factors, but even so it is clear that the running down process will be somewhat slower than we thought when framing the original estimates for last year. In these circumstances it is extremely difficult to do more than make an enlightened guess and on the whole the best we can do is to assume a figure of Rs. 2 crores for next year's yield of the import duty which is higher than last year's original estimate but considerably lower than this year's results are likely to be. I do not make this prophecy with any over-weening confidence but let me point out to the Assembly that for many years the original estimate of sugar revenue has been wildly inaccurate and unfortunately not always in the same direction. The yield of the excise has been estimated at Rs. 1,96 lakhs allowing for an increase of roughly 15 per cent. over the revised estimate of the current year's outturn.

The other items call for no particular comment except that we provide for some recovery from the very striking fall in the imports of British cotton fabrics which I mentioned a few minutes ago and for a continued expansion of the yield of the match excise and the petrol duties.

16. *Taxes on Income.*—Here we are counting on the undoubted and we hope continuing improvement in economic conditions and we anticipate a receipt of Rs. 17,60 lakhs for next year or an increase of Rs. 80 lakhs even over the revised estimate for the current year, or Rs. 1,20 lakhs over the current year's original estimate after allowing for the reduction in the surcharges. This is obviously a very optimistic estimate and the fact that I put it forward should acquit me of any charge of being too conservative under this head at any rate.

While on this subject, I might say a word on the visit of the two income-tax experts who arrived from England last October. They are at present touring India under the guidance of one of our senior Income Tax Commissioners. As I have repeatedly said, the real purpose of their enquiry is a thorough administrative overhaul but at the same time they are not ignoring altogether the question of revising the law and arrangements have accordingly been made for the Committee to receive representations from responsible commercial bodies at the various centres it visits. Their task is a big one and they have a great deal of ground to cover so that I do not expect to receive their report before October next. This means that any changes that may be found necessary or desirable as a result of their recommendations cannot come into force before 1937-38 and therefore will have no effect on the estimates for the budget year 1936-37.

17. *Currency receipts.*—The only other revenue item that calls for specific mention is Currency receipts. The estimate of Rs. 81 lakhs under this head assumes Rs. 65 lakhs as our share of the profits from the Reserve Bank on a full year's working.

Expenditure.

18. The total figure for expenditure, exclusive of Railways is Rs. 85,30 lakhs showing an increase of Rs. 1,20 lakhs over the current year's revised estimate. There is an increase under Civil Works a considerable part of which is due to larger payments to the Road Development Fund—an automatic result of the expanding yield of the duty on motor spirit. But there are more important changes to which I wish to draw your attention, viz.,

a decrease under Interest and increases under Miscellaneous Adjustments, Civil Administration and Defence. In addition I shall have to mention Extraordinary Expenditure though it does not shew a very large variation from the revised figure of 1935-36.

19. *Interest*.—Again taking the two heads of Ordinary Debt and Other Obligations together we get a figure of Rs. 9,20 lakhs as against Rs. 10,63 lakhs in the revised estimate for 1935-36, or a reduction of nearly Rs. 1½ crores. But the position is really better than this, for under "Interest on Other Obligations" there is an increase of Rs. 62 lakhs due mainly to an alteration in the arrangements in respect of the Indian Military Service and the Indian Civil Service Family Pension Funds. At present the subscriptions collected on account of these funds are credited to general revenues and the pensions are paid from the same source. The interest on the balances in the funds does not enter the Government accounts. A *pro forma* account is, however, maintained, showing the balances in the funds, the interest accrued, the subscriptions received and the pensions paid. As the present accounting arrangements are admittedly erroneous, it has been proposed that in future the balances to the credit of the funds should be shown as regular unfunded debt. The subscriptions received and the interest on the balances will be credited to the funds and the pensions will be paid direct from the funds. The Rs. 62 lakhs increase under Interest is offset by reductions of Rs. 34 lakhs under Military Pensions and Rs. 20 lakhs under Civil Pensions. Comparing like with like, the improvement under the Interest heads is over Rs. 2 crores. The reasons for this improvement are, firstly, that we shall get the full benefit of the conversion operations of the current year, and secondly, that we hope to repay the £16.8 millions of 5½ per cent. Sterling Stock maturing next year without floating a fresh loan.

20. *Subventions to Sind and Orissa, 1936-37*.—The increase under Miscellaneous Adjustments is due to the provision of Rs. 1,58 lakhs for subventions to Sind and Orissa—Rs. 1,08 lakhs for the former and Rs. 50 lakhs for the latter. It has been decided that these two new provinces shall begin their careers on April 1st, 1936 in advance of the full institution of Provincial Autonomy. It has all along been recognized that they would require subventions at any rate for some years after they began their separate existence. The definitive subventions fall to be determined by His Majesty in Council after considering the recommendations of Sir Otto Niemeyer's enquiry, but in the meantime the two Provinces must be put into a position to carry on under the provisional regime, and the present subventions are intended for this purpose. The amounts provided are larger than was at one time anticipated but I do not think that they are framed on an over-lavish basis. They do not purport to provide any substantial margin for new schemes of expenditure and apart from furnishing small opening balances they are intended to do very little more than enable the provinces to balance their budgets during their first year's working. Let me repeat that these subventions are entirely provisional. They are not intended to prejudge the claims of these two provinces at the enquiry which Sir Otto Niemeyer is now holding, when their future subventions will fall to be considered in conjunction with the claims of other provinces.

21. *Civil Administration*.—The increase amounts to Rs. 64 lakhs and I now proceed to describe some of the more important items which go to make up this total. First there are Rs. 18 lakhs for two public health schemes in Delhi. The present methods of dealing with the refuse of Delhi have evoked general comment and have been a menace to public health for a considerable time and a new scheme has now been sanctioned for which a provision of Rs. 13 lakhs is made. The system of dealing with Delhi sewage has also been examined and has been found to be inadequate and defective; a final decision has not yet been reached on this, for it has so far been found impossible to frame a scheme the cost of which is not prohibitive. However, the effort to formulate a scheme at a reasonable cost is being continued and in the meantime a provision of Rs. 5 lakhs is made to permit of a start being made in 1936-37 if such a scheme turns out to be possible. The opening of the Delhi Broadcasting Station, together with some necessary improvements in programmes generally, will require a further Rs. 4 lakhs in the coming year and there is an extra Rs. 5 lakhs for Civil Aviation where the Capital programme inevitably involves an increase in maintenance charges. Finally, provision is made for the restoration of the cut in pay for the full twelve months of the year instead of eleven as in the current year's figures. This means an extra 11 lakhs.

22. *Defence.*—The Defence Budget stands at the figure of Rs. 45.45 lakhs. Of this, however, Rs. 60 lakhs is a special provision for the reconstruction of Quetta and the replacement of military stores consumed in connection with the earthquake. The ordinary Budget, is therefore, Rs. 44.85 lakhs of which Rs. 18 lakhs is for new measures. The total figure for the present year is Rs. 44.98 lakhs but this includes Rs. 34 lakhs for Indian Military Service Family Pensions which, as I explained in dealing with the Interest heads, is omitted from the Defence budget of next year. The comparable figures for the two years are therefore Rs. 44.64 lakhs and Rs. 44.85 lakhs. The real increase is thus Rs. 21 lakhs and this is more than accounted for by two items. Rs. 5 lakhs represents the restoration of the remaining half of the cut in pay of British soldiers which was not budgetted for in 1935-36 and Rs. 20 lakhs an increased provision for ordnance stores. In regard to the latter I must reiterate the warnings which have been given in this connection in recent years that the present budget figures do not represent a new permanent low level of Defence expenditure. The surplus stocks of ordnance stores, the existence of which in the past has tended to keep down the budget are approaching exhaustion and the time has now come at which expenditure under this head must inevitably rise.

23. *Extraordinary Payments.*—I have referred above to the provision in the Defence Budget arising out of Quetta. There is also a provision on the Civil side of Rs. 40 lakhs under the head "Extraordinary payments." This relates mainly to the reconstruction of the most urgently required civil buildings and to the continuance of the special establishments created there to deal with the emergency. While the bulk of the expenditure on salvage will be incurred in the current year, site clearance operations will continue for some time into the new year and have had to be provided for.

24. *Quetta.*—This is probably the most convenient place to review the Quetta problem as a whole. In 1935-36 we expect to spend from Civil Funds proper Rs. 41½ lakhs, and Rs. 36 lakhs from Army Funds. Practically the whole of this has been on relief, temporary housing, and salvage though there has been a beginning of clearance. Next year we shall have to complete clearance and begin reconstruction. Under Civil Grants Rs. 40 lakhs are provided of which Rs. 12 lakhs are for clearance and special staff and Rs. 28 lakhs for reconstruction. Under Defence there is Rs. 10 lakhs for replacement of stores and Rs. 50 lakhs for reconstruction. Thus the cost to Government of the disaster up to the stage of beginning reconstruction may be put at Rs. 41½ plus 36 plus 12 plus 10 lakhs or almost exactly a crore in all. The reconstruction both Civil and Military is at present expected to cost something over 7 crores. These estimates are provisional but I have every hope that they will not be exceeded. The work will take 7 or 8 years and we do not anticipate that it will be possible to spend appreciably more than a crore in any one year. In 1936-37 we begin with Rs. 78 lakhs of which Rs. 50 lakhs is for Military and Rs. 28 lakhs for Civil buildings, and in the following years the programme will proceed at the rate of about a crore a year.

In explaining the charges on Civil funds I have left out of account the expenditure to be incurred by the two commercial Departments, Railways and Posts and Telegraphs. They have incurred some small expenditure in connection with the immediate emergency and they will both have to incur expenditure on reconstruction. For Railways the cost will be something like Rs. 40 lakhs in all, of which Rs. 12 lakhs has been included in next year's Railway budget and for the Posts and Telegraphs department the cost will be Rs. 9½ lakhs of which Rs. 1 lakh will be spent this year and nearly Rs. 4 lakhs in 1936-37.

We have already heard something and I dare say we are destined to hear a good deal more about the wickedness of paying for the reconstruction of Quetta out of revenue. Perhaps, therefore, I had better say a few words on this subject as a brief opening to the inevitable debate. I take it that nobody will contend that the immediate expenditure on relief, salvage and other emergency measures incurred during the current year should have been charged to capital, with no other results than to decrease the call by the Army Authorities on the Defence Reserve Fund and to increase the surplus on the general budget by some Rs. 40 lakhs. But what will be advocated widely will be that the expenditure upon the reconstruction of the Government buildings together with that to be incurred in clearing the site of the city should be borrowed and this is the proposition that I shall briefly examine. In the first instance let me say that it is contrary to strict financial orthodoxy to borrow for expenditure which does

not yield a cash return equivalent to the interest and sinking fund charges on the amount borrowed. I know that this strict view has not always been followed in India but some people might say that our financial difficulties would now be considerably less if a little more orthodoxy had been observed in years gone by. Apart from that, however, unorthodoxy was clearly easier to justify in the days when there was an annual provision of something like Rs. 7 crores a year for the reduction and avoidance of debt. Borrowing for capital expenditure or shall we call it raiding the Sinking Fund, for it is nothing else, may not be a very heinous offence when the Sinking Fund is more than adequate but is that the case now? Leaving out of account the deficit budgets of the early thirties the actual provision in recent budgets has been limited to Rs. 3 crores. Last year I expressed a certain discomfort at the smallness of this amount but comforted myself with the thought that the Railways, which then looked as if they would very shortly resume their contribution to General Revenues, would soon provide ways and means for an increase in the Sinking Fund contribution to a figure more commensurate with a capital debt of Rs. 1,200 crores. But clearly a Railway contribution has now disappeared into the somewhat remote future and we are faced with a situation in which the Sinking Fund contribution is no more than a quarter of 1 per cent. of the debt—obviously a dangerously inadequate figure. Who dare say then that for the next 7 or 8 years we should by this high-sounding device of borrowing to pay for Quetta still further reduce this already inadequate provision by sums which vary from year to year of course but which are of the order of Rs. 75 lakhs? I certainly cannot accept such a proposition.

But there is another consideration. Borrowing has got to be paid for some time and clearly the burden of it in this instance of Quetta would be fully felt by the Central Budget in the early forties, i.e., at the time when it will or ought to be distributing a proportion of its Income-tax receipts to the Provinces. The task of a Finance Member at the present time must be to see that India is put into a position to finance the new Reforms and at the same time is left if possible with its credit in a state of inexpugnable strength. This being so I cannot possibly have any part or lot in a device which is both unsound in itself, having regard to the size and structure of our debt, and which moreover would diminish the amount ultimately available for distribution to the Provinces.

25. *Posts and Telegraphs.*—In my budget speech last year I referred to the fact that the fixation of the contribution to the depreciation fund was still under examination. That examination is now complete and it is proposed to abandon the depreciation fund conception altogether and to adopt instead that of a fund for renewals and minor improvements. The renewals fund will take over the existing depreciation fund of Rs. 3,17 lakhs and will be fed by annual contributions to be fixed for periods of five years. For the first quinquennium we have, with the assistance of the Auditor-General, calculated that a contribution of Rs. 25 lakhs will be an appropriate figure and the Posts and Telegraphs budget provides for this amount instead of the Rs. 20 lakhs provided last year.

The only other item I need mention on the expenditure side of the department is an enhanced provision of Rs. 2 lakhs for providing improved postal facilities in rural areas. Last year my Honourable friends opposite made strong representations on this subject and they will no doubt welcome the fact that the improved financial position of the department enables us in the coming year to do more in this direction than has been possible in these last few years of depression.

On the Revenue side we are reckoning on a continuance of improving trade and an increase of Rs. 38 lakhs over the revised figure for 1935-36. On this basis the position works out as follows:—

Gross receipts	(Rs. lakhs.)
Working expenses	11,88
	<hr/>
Net receipts	10,93
Interest charges	95
	<hr/>
Net surplus	80
	<hr/>
	15

Summary of the position for 1936-37.

26. I am now in a position to summarise the estimates for 1936-37 as follows :—

	(Rs. lakhs.)
Revenue.. .. .	87,35
Expenditure	85,30
Surplus .. .	2,05

Before disposing of this and the surpluses for the two earlier years, I must turn aside and give some account of our Ways and Means position.

WAYS AND MEANS.

27. *The Reserve Bank.*—First a word about the Reserve Bank. The Bank began to act as the bankers of Government with effect from 1st of April 1935. It took over the management of the currency and the duties of selling treasury bills on behalf of Government and of supplying the Secretary of State with his sterling requirements from the same date. In the beginning of July it assumed its full banking functions and fixed its first bank rate. The first elections to the local boards have been made and its first annual meeting has been held at which the Executive of the Bank submitted their report of its first nine months working. This report has been published in the *Gazette* and I need say nothing about it except perhaps to mention that in accordance with Section 47 of the Act the Government of India has received Rs. 43 lakhs as its share of the profits, which sum has been included in the revised estimates for the current year, 1935-36.

28. *Remittance.*—The ways and means estimates for the current year provided £26 millions as the sterling requirements of the Secretary of State. Our revised forecast stands at £12 millions. This reduction is due to the large opening balance which the Secretary of State had on 1st of April 1935. It will be remembered that our remittance operations are now conducted through the Reserve Bank. For the 10 months up to the end of January the Bank has in fact purchased nearly £29 millions of sterling of which about £19½ millions is still shewn among the assets of the Banking Department. In the Issue Department there are considerable sterling assets in excess of the statutory requirement and altogether the external position of the Bank is one of extraordinary strength. Next year we shall expect to call upon the Bank for £41 millions and this includes the repayment of £16.8 millions of 5½ per cent. Stock, 1936-38 without fresh borrowing in London. On present shewing there should be no difficulty whatever about achieving this programme.

29. *Post Office Cash Certificates and Savings Bank deposits.*—The 6½ per cent. Treasury Bonds, 1935, and the 5 per cent. Bonds, 1935, matured in September and evidently some of the smaller holders have deposited the funds made available to them in the Post Office Savings Bank. This accounts for the increase in the revised estimate to Rs. 9,50 lakhs as against the budget figure of Rs. 8,75 lakhs. Next year's forecast assumes deposits in the Post Office Savings Bank of Rs. 8,25 lakhs net and by 'net' I mean of course the excess of deposits over withdrawals.

The reduction in the rate of interest on Post Office Cash Certificates in 1934 has naturally been followed by larger discharges. We now expect a balance between purchases and discharges during the year 1935-36 and a net discharge of Rs. 50 lakhs during the year 1936-37. It will be remembered that maturities will be particularly heavy during the coming financial year.

30. *Loans to Provinces.*—The estimates for the requirements of provinces this year included provision for the repayment of the 6½ per cent. Bombay Development Loan, 1935. There will be no such unusual item in 1936-37 and we are providing about Rs. 5½ crores only instead of about Rs. 11 crores.

31. *Borrowing Programme.*—Government have been able to take considerable advantage of the low market rates for borrowing which prevailed both in India and in England during the year. Two loans were issued. The first was a sterling loan early in

July for £10 millions of 3 per cent. stock, 1949-52, in part replacement of £12 millions of 6 per cent. Sterling Bonds, 1935-37. The loan was issued at 98 and was oversubscribed seven times, the lists being closed 10 minutes after opening. The services of the Governor of the Reserve Bank, who was in London at the time, were available during the negotiations for this loan, and I am glad to be able gratefully to acknowledge them.

At the end of the same month a 3 per cent. Rupee Loan, 1951-54, for Rs. 15 crores at Rs. 96.8 was announced. The Reserve Bank was entrusted with the issue of the loan and applications amounted to nearly 30 crores. Applications for conversion of 5 per cent. Bonds, 1935, and 6½ per cent. Treasury Bonds, 1935, were accepted in full and were allotted nearly Rs. 13 crores. This is the first time that the Government of India has been able to raise a 3 per cent. medium term loan at such a favourable rate.

£3½ millions of East Indian Railway 4½ per cent. debenture stock, 1935-55, have also been repaid during the year.

Next year there are no rupee maturities but as I have previously mentioned £16.8 millions of 5½ per cent. Sterling Stock, 1936-38 fall due for repayment and we are proceeding on the assumption that we shall be able to repay this amount without further borrowing in London. However, that depends on conditions later in the year and not being a prophet I can only express hopes. I do, however, estimate on the basis of my hopes and for the purpose of calculating interest charges next year I assume the repayment of the sterling stock without replacement. This together with the full effect of the conversion operations of the present year enables us, as I have already said, to reduce the estimate for interest charges to Rs. 9,20 lakhs, or nearly Rs. 1½ crores less than the revised estimate for the current year.

32. *Treasury Bills.*—The Treasury Bills outstanding on 1st April 1935 amounted to Rs. 18,27 lakhs with the Public and Rs. 36,07 lakhs with the Reserve Bank, a total of Rs. 54,34 lakhs. The revised estimate provides for the reduction of this amount to Rs. 13,99 lakhs with the Public and Rs. 20,10 lakhs with the Reserve Bank, Rs. 34,09 lakhs in all by the end of March 1936, as against a total of Rs. 46 crores anticipated in the budget. The difference of Rs. 12 crores is due to the cancellation of Bills held in the Issue Department of the Reserve Bank mainly as a result of the transfer of surplus sterling assets to the Bank. The average rate of interest on Treasury Bills for the 10 months ending January 31st, 1936, was Re. 1-4-9 per cent. against Re. 1-8-10 per cent. for the corresponding period last year.

Next year, on the assumption that we are able to repay the sterling loan without further borrowing from the market, we expect the outstanding balance of treasury bills on the 31st of March 1937 to be Rs. 20,10 lakhs with the Reserve Bank and Rs. 24,99 lakhs with the Public, a total of Rs. 45,09 lakhs.

PROPOSALS FOR 1936-37.

33. I have now set out the final results of 1934-35, the revised forecast of 1935-36 and the first forecast of 1936-37. I now turn to the surpluses that have either accrued or are expected to accrue and Government's proposals for dealing with them. They are, first, the balance of Rs. 1,73½ lakhs remaining over in the Rural Development Fund from the surplus of 1934-35, secondly, the expected surplus of Rs. 2,42 lakhs for the current year, and finally the estimated surplus of Rs. 2,05 lakhs for next year.

34. *Surplus for 1934-35.*—From the balance of Rs. 1,73½ lakhs available in the Rural Development Fund we propose to allocate :—

First.—A grant of Rs. 30 lakhs for Agricultural Research. This will cover the Rs. 10 lakhs still outstanding of the block grant promised to the Imperial Council of Agricultural Research when it was first established and a further Rs. 20 lakhs for financing other urgent schemes of research, some of which will be under the direct control and supervision of Government. These other schemes include sugarcane research, and investigations in connection with the dairying side of animal husbandry. This branch of the peasants'

activity has not received sufficient attention in the past. Experience elsewhere emphasizes its importance to the cultivator, both as a means of supplementing his income and of adding to his diet elements that make for good nutrition and, therefore, for good health.

Secondly.—A grant of Rs. 10 lakhs to the Indian Research Fund Association. Health is a vital factor in measures aiming at a general improvement in the conditions of village life and to ensure that the benefit of these Rs. 10 lakhs goes primarily to the rural population the Association will be required to devote the amount mainly to schemes connected with the prevention or cure of malaria.

Thirdly.—A grant of Rs. 5 lakhs for the benefit of cottage and small scale woollen industries.

Honourable Members are aware that the case for the protection of the woollen industry was examined last year by the Tariff Board and that for certain reasons, including the refusal of evidence on the part of an important section of the mill industry, we were unable to accept its claim to protection. But woollen manufacture is also carried on in cottages and in small scale workshops; and the Tariff Board's findings suggested that this branch of the industry stood in greater need of assistance than the other. Further, there was no reason why the action of the manufacturers should be allowed to prejudice its claims.

But, as the Tariff Board pointed out in this case a cottage industry is likely to derive more benefit from technical advice and assistance in marketing arrangements than from the imposition of protective duties. Government therefore propose to make a grant for the benefit of the cottage and small scale woollen industry amounting to Rs. 5 lakhs to be spread over 5 years and our intention is that it should be administered on lines somewhat similar to those adopted in the case of the corresponding grant for Sericulture except that, as research is not likely to be involved, the States will not participate in the allocation of funds. The actual execution of provincial schemes financed from this grant will be in the hands of the Provincial Departments of Industries.

Fourthly.—A grant of Rs. 20 lakhs to the Fund for development of broadcasting. This Fund is, of course, only available for capital expenditure; recurring expenditure is to be provided in the budget in the normal way. In my speech last year I emphasized that the expression "economic development and improvement of rural areas" was used "in a wide sense to cover any measure which will conduce to the amelioration of the conditions of the cultivators and rural classes." Broadcasting which now provides instructional lectures on agriculture and health has a quite legitimate claim on this fund and the additional grant will help to satisfy the demand for such information over a larger area.

This allocation will bring the fund to Rs. 40 lakhs. Although the expenditure so far incurred against the fund amounts to rather less than Rs. 4 lakhs (for the Delhi station) we have before us estimates for work costing Rs. 32 lakhs, and the field for further development is extensive. It is obviously desirable—in fact essential—that we should have the best technical advice available before we embark upon this further development. We have been fortunate in obtaining this, for the British Broadcasting Corporation have very kindly lent us Mr. Kirke, the Head of their Research Department, to advise us on our future programme and I hope that it will be possible to place definite proposals before the Standing Finance Committee next month. After these grants there is still left in the Fund Rs. 1,08½ lakhs. We shall in all probability allocate the bulk of this to Provinces on a rural population basis for expenditure on schemes to be approved by the Government of India. But before deciding upon this finally we shall review the results of last year's grants. It will be remembered that I circulated to the House on the 6th September last a full description of the schemes which had been approved by the Government of India in connection with the grants amounting to Rs. 92½ lakhs which have already been made to Provinces. We have called for full reports from local Governments as to the actual progress and results of their schemes. We expect that these will be available next month and in the light of them we shall decide whether any alterations are necessary in the conditions of our grants. Needless to say Provincial Governments are more closely in touch with local conditions and needs

than we are but, at the same time, the Government of India has its responsibilities in the matter and it will be for consideration whether we should not define more closely the categories of schemes which we are prepared to approve. At all costs we must guard against too much diffusion of effort and we must moreover be careful to see that our money is spent on the most useful schemes. As soon as definite conclusions have been reached we shall take the House fully into our confidence both as regards the results of last year's schemes and our intentions for the future.

Perhaps the House will forgive me if I point out that in the last two years the Government of India have allotted nearly Rs. 3½ crores in the way of special grants for rural purposes. I emphasize the word 'special' for the leader of the Opposition waxed sarcastic over the grants made last year as if they were the only contributions which the Government of India had made to rural welfare. I dealt with that argument then and I have no doubt that I shall have to deal with it again but at present my purpose is only to claim that we have shewn and are shewing that, whenever resources are available, we are prepared to supplement in no niggardly fashion the work that Provincial Governments are doing on behalf of those in the villages.

SURPLUS FOR 1935-36.

35. *Initial building equipment of Sind and Orissa.*—I now come to the surplus of Rs. 2,42 lakhs which we expect to have on the 31st March next. To begin with I propose to allot Rs. 45 lakhs of it to a special fund for assisting Sind and Orissa to meet their expenditure on the adaptation of old and the provision of new official buildings. It was originally intended to advance the amounts required for this purpose by way of interest-bearing and repayable loans but there are two reasons why we think that this would be ungenerous. First because the needs of these two provinces look like being more than was supposed and secondly there is the consideration of what has been done in the past in similar circumstances. In 1921 all the provinces were started off with necessary buildings free of debt incumbrances. The North-West Frontier Province was given at its inception not only the existing Government of India buildings in the Province but also a grant of Rs. 3 lakhs to adapt them. It might reasonably be held then that Sind and Orissa have corresponding claims on the Centre. Moreover in assessing the subventions clearly the existence of a liability for loan charges for such a purpose would have to be taken into account and it may therefore be said that for a good many years at any rate the Government of India would, if it insisted on payment of these loan charges, merely be taking away with one hand and giving back with another.

I may perhaps add two things :—

- (a) that we propose to limit our liability strictly to Rs. 45 lakhs, and
- (b) that this amount will be divided so as to give Rs. 17½ lakhs to Sind and Rs. 27½ lakhs to Orissa. The reason for the apparent preference to Orissa is of course that Sind already has a considerable part of the buildings it will need.

After this grant there will remain available from 1935-36 a sum of Rs. 1,97 lakhs and before I can deal with this, we must not only look at the position as it is likely to be in 1936-37 but we must also cast forward and attempt to make some estimate of the position we shall be faced with in 1937-38 and the immediately succeeding years.

36. *Revenue Reserve Fund.*—We now expect to have a non-recurring balance of Rs. 1,97 lakhs available from 1935-36 and an estimated surplus of Rs. 2,05 lakhs available in 1936-37. What does this imply for 1937-38 which we are assuming to be the first year of Provincial Autonomy? If all goes well, we may perhaps count upon certain reductions in interest charges and improvements of revenue which will produce what in Government of India parlance is known as a betterment of some Rs. 2½ crores over the figures for 1936-37. On the other hand, the separation of Burma will cost us Rs. 2½ crores in that year while it would not be safe to assume a figure of less than Rs. 2 crores as the cost of the initial

adjustments which will emerge from Sir Otto Niemeyer's enquiry, i.e., on the existing basis of taxation we can expect in 1937-38 at best a bare balance. If this conclusion is right, then it looks at first sight as if it would be unjustifiable to reduce taxation at all this year and of course it is always much more satisfactory to play for safety in financial affairs. I know however what feeling was aroused in commercial quarters by the postponement of their claim for a reduction of the emergency taxation in favour of the restoration of the pay cut and it behoves me therefore to look a little more closely into the possibilities. For this purpose it is necessary to look also at the year 1938-39. There ought in that year to be no major alterations of expenditure while we may hope that if our affairs continue to go well, there may be a further expansion of some Rs. 2 crores in revenue receipts. If this calculation is justified, then it would perhaps be legitimate to reduce taxation in 1936-37 by something like Rs. 2 crores if we can find a non-recurring balance of about the same amount to fill up the consequent deficit in 1937-38. Here then is the significance of the Rs. 1,97 lakhs remaining over from 1935-36. I propose to ask the House to transfer this balance to a Revenue Reserve Fund available to help out the finances of the first year of Provincial Autonomy and in this way I can, with a fairly clear conscience, propose remissions of taxation in 1936-37 so long as they do not alienate revenue to a greater extent than about Rs. 2 crores a year.

What then shall the reductions be ?

SURPLUS FOR 1936-37.

37. *Reduction of Taxes on Income.*—The most insistent demand with which I am confronted is the claim for the abolition of the emergency taxes upon income and, as the House knows, there exist certain pledges upon this subject given by my predecessor. The complete removal of the present surcharge of one-sixth on income-tax and super-tax would cost Rs. 2,76 lakhs per annum, while the abolition of the tax on incomes between Rs. 1,000 and Rs. 2,000—which, as I said last year, must also be included in the emergency class—would cost Rs. 47 lakhs more. Obviously if we are limited to surrendering no more than Rs. 2 crores a year, we cannot meet the demand for abolition in full. But we can go a good way towards it and we propose to abolish the tax on lower incomes and to halve the present surcharge, leaving it in future at one-twelfth. In other words, we shall in the last two years have removed the emergency tax on lower incomes altogether and reduced the surcharges on income-tax and super-tax by two-thirds. The cost of the proposed reductions is Rs. 1,85 lakhs and the surplus for 1936-37 is reduced to Rs. 20 lakhs accordingly.

38. *Reduction in Postage Rates.*—With no more than Rs. 20 lakhs left in hand we can clearly make no further substantial cut in taxation and we propose, therefore, to make a postal concession which, though inexpensive, will, we believe, be generally welcomed if not gratefully received. This is the increase in the weight of the one anna letter from a half to one tola and the adoption of a scale of an additional half anna for every additional tola. It will cost Rs. 13 lakhs a year and it will absorb all but Rs. 2 lakhs of the expected surplus on the Posts and Telegraphs budget and all but Rs. 7 lakhs of that on the general Budget.

CONCLUSION.

39. I have now completed my story. I cannot expect that everybody will find it agreeable. I do expect, however, that all fair-minded people will admit that it is a reasonable compromise between the claims of the agricultural producer, the claims of the direct taxpayer and the supreme necessity for preserving the credit of India. If I have erred, I think it is in departing too much from the strict canons of financial orthodoxy which I put forward last year, viz., that non-recurrent resources should not be devoted to recurrent demands. The only justification for this departure is the fact that India's economic and political barometers are both rising. If they continue to rise, all may be well. If they do not, the risk will be proved unjustified. And perhaps I may end by saying that the economic barometer cannot rise if the political barometer falls and that the political barometer must fall if the political thermometer rises.

P. J. GARGA.

The 28th February 1936.

Report for the Year 1935.

Section V.

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STATISTICS.

As was stated in the preliminary portion of the report for 1926, the tables printed in the following pages show considerable variations from those published prior to 1926. The tables now given represent an attempt to give in an easily comprehensible form essential information of a statistical nature regarding the textile trade of India as a whole. In addition, information will also be found in certain tables concerning the textile trade of Bombay City and Island which is the largest individual centre of the cotton trade in India.

A number of interesting tables are also included concerning the textile trade of Japan, India's keenest competitor in the home and export markets.

Most of the tables are self-explanatory and no notes regarding their interpretation are necessary. The following notes are only intended to assist in arriving at correct conclusions regarding the progress of the Indian textile trade during the last few years.

Table 3.—Progress of Cotton Mill Industry in India. The falling off in the production of yarn and cloth in the years ending 31st of March 1926 and 1929 is chiefly accounted for by the strikes referred to in the footnote to the table.

Table 7.—Statement showing the cotton arrivals into Bombay during the season 1934-35 as compared with 9 previous seasons.

Tables 16 and 17.—Statements showing the imports of cotton yarn into India and Bombay during the last 20 years. Notable features of the tables are the larger imports of artificial silk and mercerized yarn during the last few years.

Tables 18 and 19.—Statements showing the imports of cotton piecegoods into India and Bombay during the last 20 years.

Table 20.—Summary of imports of cotton yarn into India in 1935 as compared with two previous years. This table shows the shares of the import trade in yarn held by the chief importing countries.

Table 21.—Detailed statement of imports of cotton yarn into India in 1935 as compared with two previous years. This table shows in detail the counts and types of yarn imported into India from the various countries.

Tables 22 and 23.—Summary and Details of imports of cotton yarn into Bombay in 1935 as compared with two previous years. These tables give information similar to that contained in Tables 20 and 21, but for the Port of Bombay.

Table 26.—Summary of imports of cotton piecegoods into India in 1935 as compared with two previous years. This table gives at a glance the quantities of the main classifications of piecegoods imported into India from the chief importing countries. Table 27 gives the information contained in Table 26 in very much greater detail.

Tables 28 and 29.—Details and Summary of imports of cotton piecegoods into Bombay in 1935 as compared with two previous years. These tables contain information similar to that contained in Tables 27 and 26 respectively but for the Port of Bombay.

Table 30.—Detailed statement of exports of Indian-made piecegoods from India. When perusing this table the footnote explaining the exact areas covered by the territories mentioned should be carefully studied. The preponderance of coloured goods in the total piecegoods export trade is very striking.

Table 31 contains information similar to that given in *Table 30* but for the Port of Bombay.

Tables 32 and 33.—Statements showing the re-exports of piecegoods and yarn from India and Bombay respectively. The figures show that the bulk of the re-exports of cotton piecegoods pass through Bombay.

Tables 34 and 35.—Statements showing the quantities of cloth and yarn available for consumption in India. These tables are among the most interesting and instructive statistics ever published concerning the extent of the Indian market for yarn and piecegoods. The figures showing the balance of yarn available for consumption in India to some extent give an indication as to the importance of the handloom weaving industry of India.

Tables 36 to 39 (both inclusive) contain information extracted from the publications issued by the Japan Cotton Spinners' Association and indicate very clearly the phenomenal progress made by the Japanese Cotton Textile Industry during the last decade.

Table 40 is extracted from the statistics published by the British Board of Trade and indicates the relative importance of the three chief Presidency Ports of India in the yarn and piecegoods import trade. It should be noted that the figures for the Port of Bombay as given in this table are not strictly comparable with the Government of India statistics for that port on which all other tables relating to Bombay in this section are based.

TABLE NO. I.
SPINDLES AND LOOMS SET UP IN INDIA, THE UNITED STATES OF AMERICA, GREAT BRITAIN, GERMANY, CHINA AND JAPAN.

The following figures have been obtained from various sources and may be taken as being approximately correct. In order, however, to make the record as complete as possible, the Committee of the Association will be obliged, if members and others who have any additional particulars available will kindly forward them to the Secretary for inclusion in any future statements that may be published:—

SPINDLES.

Year.	India.	United States of America.	Great Britain.	Germany.	Japan.	China.
1883	1,790,388	....	....	....	....	....
1884	2,001,667	....	43,000,000	....	....	....
1885	2,145,646	....	43,000,000	....	....	....
1886	2,261,561	....	42,700,000	....	....	....
1887	2,421,290	....	42,740,000	....	....	....
1888	2,488,851	....	43,000,000	....	....	....
1889	2,762,518	....	43,500,000	....	....	....
1890	3,274,196	14,384,180	43,750,000	....	....	....
1891	3,351,694	14,640,000	44,750,000	....	....	....
1892	3,402,232	15,200,000	45,270,000	....	385,314	....
1893	3,575,917	15,700,000	45,270,000	....	381,781	....
1894	3,640,736	16,100,000	45,190,000	....	530,074	....
1895	3,809,929	16,650,000	45,400,000	6,571,332	580,945	....
1896	3,932,946	17,333,396	44,900,000	....	692,384	....
1897	4,065,618	18,228,991	44,500,000	....	768,328	....
1898	4,259,720	18,434,244	44,900,000	7,115,500	1,027,817	....
1899	4,728,333	19,329,092	45,600,000	....	1,170,337	....
1900	4,945,783	19,472,232	45,600,000	8,031,400	1,274,000	550,000
1901	5,006,936	20,196,835	46,100,000	8,434,601	1,234,976	....
1902	5,006,965	20,907,212	49,727,197	....	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	52,706,230	9,121,259	1,472,253	....
1907	5,333,275	25,681,509	52,585,362	9,730,209	1,540,452	750,000
1908	5,756,020	26,133,442	55,218,024	9,850,209	1,795,879	....
1909	6,053,231	27,914,085	57,026,422	10,162,872	1,954,892	....
1910	6,195,671	28,299,482	57,731,829	10,200,000	2,099,764	....
1911	6,357,460	29,064,492	58,002,435	10,480,090	2,170,796	831,000
1912	6,463,929	29,962,713	58,140,220	10,725,732	2,176,748	833,112
1913	6,596,862	30,579,000	58,481,000	10,920,426	2,414,499	947,406
1914	6,778,895	32,227,840	59,317,187	10,162,872	2,657,174	1,000,000
1915	6,848,744	32,400,792	59,905,000	10,163,000	2,807,514	....
1916	6,839,877	32,653,164	59,811,222	....	2,875,904	1,029,218
1917	6,738,697	33,535,000	60,973,000	....	3,060,478	1,126,568
1918	6,653,871	34,219,166	57,685,841	....	3,227,678	....
1919	6,689,680	34,648,928	59,182,683	....	3,488,262	1,416,556
1920	6,763,076	34,946,721	60,079,394	8,262,872	3,813,680	1,585,300
1921	6,870,804	35,632,193	60,053,246	8,693,221	4,161,126	1,650,000
1922	7,331,219	36,584,487	58,712,303	9,400,000	4,517,612	1,888,348
1923	7,927,938	37,397,000	59,819,000	9,605,000	4,436,798	3,581,214
1924	8,313,273	37,924,000	59,511,000	10,060,000	5,125,696	3,569,440
1925	8,510,683	37,833,000	59,903,000	10,060,000	5,447,184	3,414,062
1926	8,714,168	37,650,000	60,285,000	10,300,000	5,679,852	3,461,152
1927	8,702,760	37,483,000	60,466,000	10,900,000	6,116,266	3,588,483
1928	8,704,172	36,824,000	60,042,000	11,020,000	6,467,174	3,688,483
1929	8,907,064	36,216,000	59,134,000	11,155,000	6,836,516	3,638,098
1930	9,124,768	35,663,000	57,712,000	11,260,000	7,214,001	3,664,120
1931	9,311,953	33,325,000	57,575,522	10,838,000	7,535,146	3,969,552
1932	9,506,083	32,109,000	53,443,684	10,233,000	7,964,850	4,497,902
1933	9,580,658	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	9,685,775	29,717,000	45,056,787	9,900,000	10,649,048	5,171,600

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 Comteluro Year Book.

TABLE NO. 2.
LOOMS.

Year	India.	United States of America.	Great Britain.	Germany.	Japan.	China.
1883	15,373	....	....	....	....	....
1884	16,262	....	....	....	....	....
1885	16,537	....	561,000	....	....	....
1886	17,455	....	....	....	....	....
1887	18,536	....	....	....	....	....
1888	19,496	....	....	....	....	....
1889	21,561	....	....	....	....	....
1890	23,412	....	....	....	....	....
1891	24,531	....	....	....	....	....
1892	25,444	....	660,000	....	....	....
1893	26,164	....	....	....	....	....
1894	31,154	....	....	....	....	....
1895	35,338	362,067	606,585	245,000	5,000	....
1896	37,270	354,358	....	....	....	....
1897	37,584	379,341	....	....	2,852	....
1898	38,013	384,745	....	240,000	2,798	....
1899	39,069	392,690	....	....	2,757	....
1900	40,124	439,465	648,820	211,818	5,045	....
1901	41,180	411,106	....	211,818	....	....
1902	42,584	477,072	....	....	....	....
1903	44,092	488,760	684,000	....	5,043	....
1904	45,337	503,027	....	....	5,085	....
1905	50,139	515,006	704,357	230,200	8,140	....
1906	52,668	525,630	704,357	230,200	9,601	....
1907	58,436	536,815	725,221	....	9,462	....
1908	67,920	546,160	736,325	....	11,146	....
1909	76,898	555,398	739,382	....	13,813	....
1910	82,725	625,719	741,197	230,200	17,702	....
1911	85,352	633,909	741,260	....	20,431	....
1912	88,951	671,873	758,712	....	21,898	3,738
1913	94,136	709,255	786,205	....	24,224	4,755
1914	104,179	696,367	805,452	230,200	25,443	....
1915	108,009	689,840	808,145	....	30,068	....
1916	110,268	719,358	808,796	....	31,295	4,755
1917	114,621	725,366	807,543	....	36,181	5,853
1918	116,484	712,426	787,679	....	40,391	....
1919	118,221	700,620	790,936	....	44,401	7,193
1920	119,012	708,079	798,083	190,200	50,583	7,660
1921	123,783	719,120	790,399	190,200	54,994	....
1922	134,620	707,469	799,000	190,200	60,893	10,814
1923	144,794	744,686	795,244	240,700	64,460	22,477
1924	151,485	760,625	791,674	240,700	68,579	21,644
1925	154,202	762,808	788,197	240,700	73,381	25,934
1926	159,464	760,133	786,309	240,700	77,043	22,924
1927	161,952	745,520	767,524	250,000	78,352	24,047
1928	166,532	747,379	754,940	250,000	81,209	25,986
1929	174,992	736,379	739,887	250,000	77,898	29,788
1930	179,250	720,177	703,878	250,000	79,466	29,582
1931	182,429	658,604	667,864	230,000	77,782	29,582
1932	186,341	646,764	624,629	230,000	70,277	33,580
1933	180,040	625,445	601,750	267,000	66,343	33,580
1934	194,388	608,815	560,153	225,000	61,146	42,596
1935	198,867	600,837	517,460	225,000	65,982	42,834

(Please see foot-note to previous table.)

TABLE NO. 3.
PROGRESS OF COTTON MILL INDUSTRY IN INDIA.

Year.	BOMBAY CITY AND ISLAND.						ALL-INDIA.					
	Average Working.		Cotton Consumed.	Yarn Spun.	Cloth Woven.	Average Number of hands employed.	Average Working.		Cotton Consumed.	Yarn Spun.	Cloth Woven.	Average Number of hands employed.
	Spindles.	Looms.					Spindles.	Looms.				
	1	2	3	4	5	6	1	2	3	4	5	6
	Year ending 30th June.	Year ending 30th June.	Year ending 31st March.	Year ending 30th June.	Year ending 30th June.	Year ending 30th June.	Year ending 30th June.	Year ending 30th June.	Year ending 31st March.	Year ending 30th June.	Year ending 31st August.	
1907	2,494,488	29,311	1,115,750	926,649	408,569,624	98,101	5,038,569	52,283	1,980,170	1,634,351	708,139,874	205,606
1908	2,528,977	33,589	1,079,194	882,879	471,817,448	101,536	5,291,336	61,167	1,991,500	1,595,738	808,426,561	221,195
1909	2,584,886	34,637	1,098,704	894,113	455,639,081	105,751	5,326,233	66,097	2,109,000	1,612,073	824,489,164	236,924
1910	2,430,869	36,148	984,058	825,197	532,224,755	104,550	5,200,473	69,599	1,935,010	1,508,410	963,869,482	233,024
1911	2,493,163	38,380	953,450	801,068	563,224,913	104,500	5,392,691	73,549	1,905,866	1,524,318	1,042,741,653	230,649
1912	2,556,706	39,639	1,077,616	819,102	522,451,272	109,693	5,493,477	77,074	2,050,102	1,562,575	1,136,151,590	243,637
1913	2,567,810	39,973	1,072,210	909,202	642,101,710	110,033	5,736,701	82,577	2,096,016	1,721,182	1,220,442,545	253,786
1914	2,597,913	41,643	1,078,038	887,561	592,366,008	109,860	5,848,283	85,158	2,143,126	1,706,942	1,164,291,588	260,276
1915	2,455,468	41,667	1,026,050	905,383	562,322,867	111,924	5,704,320	86,868	2,102,632	1,629,961	1,135,707,952	265,346
1916	2,551,736	47,250	1,096,174	941,857	771,266,499	118,303	5,900,896	95,965	2,197,718	1,806,061	1,442,514,550	274,361
1917	2,736,014	52,421	1,134,814	889,748	830,185,157	125,713	6,067,770	100,814	2,198,164	1,702,768	1,578,132,789	276,771
1918	2,671,459	52,887	1,068,492	893,221	933,137,872	124,199	5,987,685	101,141	2,085,678	1,651,439	1,614,126,458	282,227
1919	2,632,113	52,320	999,756	765,475	757,903,744	126,368	6,046,323	102,977	2,044,230	1,537,601	1,450,726,160	293,277
1920	2,814,718	54,664	957,150	794,297	863,292,197	140,208	6,238,771	105,169	1,952,318	1,589,400	1,639,779,227	312,078
1921	2,896,926	57,159	1,060,598	856,141	836,506,933	147,740	6,407,037	111,708	2,120,250	1,650,006	1,580,849,746	322,179
1922	2,952,183	58,848	1,074,198	871,736	921,926,856	149,224	6,549,112	117,318	2,203,540	1,733,929	1,731,573,296	343,723
1923	3,013,593	60,808	1,059,630	870,248	870,284,518	148,771	6,700,218	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	1,521,569	1,701,574,355	356,887
1925	3,181,654	66,329	994,732	818,857	986,028,304	153,009	7,454,161	135,516	2,226,310	1,798,475	1,970,446,852	367,877
1926	2,860,076	63,403	777,970	654,906	871,840,734	149,069	7,264,234	136,033	2,113,384	1,716,068	1,954,462,650	373,508
1927	2,951,513	69,684	994,500	862,147	1,135,020,515	154,398	7,521,636	146,200	2,417,412	2,017,790	2,258,716,065	384,623
1928	1,826,026	45,464	568,848	796,867	1,131,520,832	129,275	6,505,175	126,235	2,000,782	2,022,351	2,356,564,805	360,921
1929	2,108,747	47,668	630,978	384,382	537,402,790	106,710	6,957,389	138,882	2,161,166	1,620,740	1,893,268,655	346,923
1930	2,803,936	64,397	877,492	658,042	888,944,315	136,774	7,979,154	156,662	2,573,714	2,083,890	2,418,981,049	384,028
1931	2,702,848	62,748	839,388	677,266	967,586,025	129,057	8,093,711	157,609	2,633,176	2,168,166	2,561,133,035	395,171
1932	2,715,889	61,883	920,730	803,974	1,216,886,366	129,334	8,323,821	161,340	2,911,264	2,411,016	2,989,801,101	403,226
1933	2,430,854	58,870	797,076	782,394	1,210,597,547	119,943	8,202,149	162,818	2,837,158	2,541,046	3,169,898,499	400,005
1934	2,043,506	48,764	613,014	606,619	923,957,741	95,007	7,845,977	158,802	2,703,990	2,302,652	2,945,051,727	384,938
1935	2,193,324	57,208	885,252	663,460	1,025,360,827	111,147	8,141,464	174,114	3,123,414	2,501,889	3,397,107,287	414,184

NOTE.—Columns 1, 2 and 3.—Figures taken from the Association's Mill Statement.

Columns 4 and 5.—Are taken from "Monthly Statistics of Spinning and Weaving" published by the Government of India.

Column 6.—Same as columns 1, 2 and 3.

Production was at a standstill in all the mills in the Bombay City and Island for about 2 months in 1924 (end of January to March) and for a further period of 2½ months in 1925-26 (Sep. 15th to 1st Dec.) and again for about 6 months in 1928 (April 5th to first week of October) and for about 4½ months in 1929 (26th April to the middle of September).

TABLE NO. 4.

THE WORLD'S COTTON CROPS, 1913-14 to 1934-35 (TODD'S).

(Bales approximately 500 lbs.)

(000's omitted.)

Years.	America (Linters included.)	India*.	Egypt.	Russia.	China.	Others.	Total.	Percentage on 1914-15.
1913-14 ..	14,795	5,066	1,537	980	2,303	1,287	25,968	92
1914-15 ..	16,992	5,209	1,298	1,244	2,333	1,154	28,212	100
1915-16 ..	12,123	3,738	961	1,407	2,057	984	21,270	76
1916-17 ..	12,781	4,489	1,022	1,110	1,714	1,027	28,143	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	5,224	1,655	1,589	2,317	1,873	27,576	98
1931-32 ..	18,163	4,007	1,271	1,846	1,733	2,060	29,080	103
1932-33 ..	13,914	4,657	991	1,757	2,195	1,866	25,380	90
1933-34 ..	14,029	5,068	1,715	1,846	2,633	2,878	28,169	100
1934-35 † ..	10,611	4,807	1,511	1,937	3,115	3,407	25,388	90

* 400-lb. bales.

† Estimates.

NOTE.—Figures taken from the tables published in the "Bombay Cotton Annual" issued by the East India Cotton Association.

TABLE No. 5.
PRODUCTION AND CONSUMPTION OF RAW COTTON IN INDIA.
(Indian Trade Journal dated 30th April 1936.)

The following statement compares the estimates of the total outturn of cotton in India for the last two years with the sum of exports and internal consumption. The figures are those compiled by the Indian Central Cotton Committee and refer in the case of mills in British provinces to Indian cotton alone. The estimate of mill consumption in Indian States refers to all cotton, but it has been ascertained from the Indian Central Cotton Committee that the amount of foreign cotton consumed in Indian States is negligible. Import figures have not therefore been taken into consideration for the purposes of the comparison set forth below. A conventional estimate has as usual been made for extra factory or local consumption. It should be borne in mind that estimates of the "Carry-over" from one year to another have not been taken into account owing to complete information not being available regarding stocks.*

	YEAR ENDING 31ST AUGUST	
	1934.	1935.
	Thousand bales (400 lbs.)	Thousand bales (400 lbs.)
Exports to United Kingdom	367	374
.. to Continent (Europe excluding United Kingdom) ..	946	947
.. to China	339	108
.. to Japan	1,664	1,622
.. to Other Countries	90	62
Total	3,406	3,115
Home Consumption—		
Mills†	2,336	2,612
Extra—factory or local‡	750	750
Total	3,086	3,362
Approximate crop	6,492	6,477
Estimated in forecast	5,108	4,858
Excess (+) or deficit (—) neglecting carry-over	+1,384	+1,619

* Stocks of cotton in Bombay were 822,000 bales on 31st August 1934 and 530,000 bales on 31st August 1935.

† 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 1935 AND ON 1ST FEBRUARY 1936.
(In bales regardless of weight.)

	Bombay City and Island.		All-India.	
	1-8-35.	1-2-36.	1-8-35.	1-2-36.
COTTON MILL STOCKS.				
<i>(In actual bales regardless of weight.)</i>				
(a) American (Linters and waste not included)	29,464	11,058	39,491	16,101
(b) East India	183,549	137,544	857,294	626,901
(c) Egyptian	7,249	4,825	21,964	16,764
(d) Sundries	26,118	26,098	65,608	56,813
Total	246,380	179,525	984,357	716,579

Figures from the Cotton Census taken at the request of the International Federation of Master Cotton Spinners' and Manufacturers' Associations.
(Figures are approximations.)

TABLE No. 7.

The following Table gives details of cotton arrivals into Bombay during the 1934-35 season compared with the total of the nine previous years.

(Actual weight converted into bales of 3½ cw.s. 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.

	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.
Khandeish	292,847	315,441	307,249	365,837	294,922	324,940	121,806	220,402	326,265	254,473
Central India	386,999	318,827	299,680	392,022	411,394	339,182	118,798	208,096	243,550	110,745
Barsi Naggar and Hyderabad Gaorani	299,702	274,592	437,759	348,875	355,162	255,074	103,145	190,544	222,445	155,618
Berar	479,843	578,454	730,789	792,419	731,747	593,289	250,475	471,173	502,736	403,738
Central Provinces	247,023	233,578	310,327	393,745	406,227	373,926	75,094	136,713	117,698	96,808
Dholleras	285,748	215,377	384,608	249,115	198,899	281,614	250,430	297,573	156,431	196,518
N. W. Provinces	131,256	59,570	65,213	62,338	140,446	93,552	26,970	8,246	9,184	35,306
Rajputana	117,015	66,045	56,155	51,886	58,599	53,365	56,570	84,484	61,623	51,925
Sind-Punjab	296,512	119,098	137,416	135,491	153,145	124,112	140,672	107,256	190,913	335,372
Broach	319,681	241,163	269,272	196,453	287,060	303,695	260,317	327,831	252,100	133,579
Compta Dharwar	168,007	142,453	145,150	137,799	160,648	98,274	86,693	96,406	92,421	94,076
Western Northern	117,182	75,183	53,777	67,321	71,241	49,378	48,586	75,428	65,472	74,629
Coconada	3,302	495	7	6	103	24	10	115	475	435
Tinnevely and Cambodia	68,875	50,161	37,082	40,357	46,250	42,670	16,851	61,326	52,368	86,593
Persians	5,627	5,719	5,770	1,774	704	1,438	2,951	8,063	2,829	2,686
Americans	28,130	379,120	102,910	11,719	15,889	140,296	280,808	75,196	26,622	75,235
Egyptians	638	3,462	2,199	1,636	12,387	148,947	121,032	32,745	49,971	134,623
East Africans	88,569	85,988	78,119	107,747	134,533	179,473	133,162	133,448	143,304	238,070
Comilla, Burmah and Other Sorts	3,700	916	275	47	858	702	322	188	28	1,155
TOTAL	3,334,656	3,165,642	3,423,757	3,356,587	3,480,214	3,403,951	2,094,692	2,535,233	2,516,435	2,501,584

TABLE NO. 8.

STATEMENT SHOWING THE WEEKLY PRICES OF COTTON IN BOMBAY
(IN RUPEES PER CANDY OF 784 lbs.)

The figures are extracted from the Weekly Statistics of the East India Cotton
Association, Ltd.

Week ending.	BENGAL F. G.		BROACH.		OOMRA FINE.	
	Price.	Delivery.	Price.	Delivery.	Price.	Delivery.
3rd January 1935	158	Spot.	246	Apl./May.	238	Spot
10th "	157	"	244	"	237	"
17th "	160	"	241	"	229	"
24th "	165	"	258	"	242	"
31st "	157	"	258	"	234	"
7th February	154	"	247	"	233	"
14th "	144	"	247	"	228	"
21st "	151	"	246	"	220	"
28th "	145	"	246	"	224	"
7th March	144	"	245	"	225	"
14th "	132	"	228	"	209	"
21st "		Market	closed.	"		"
28th "	128	Spot.	219	"	201	"
4th April	132	"	226	"	203	"
11th "	134	"	232	"	206	"
18th "	134	"	234	"	210	"
25th "	136	"	237	"	210	"
2nd May	135	"	243	"	211	"
9th "	140	"	248	"	220	"
16th "	145	"	249	"	223	"
23rd "	150	"	254	"	221	"
30th "	341	"	229	July/Aug	208	"
6th June	Not quoted	"	229	"	207	July
13th "	"	"	228	"	207	"
20th "	"	"	229	"	207	"
27th "	"	"	227	"	206	"
4th July	149	Spot.	235	"	213	"
11th "	151	"	237	"	228	Spot
18th "	147	"	236	"	218	"
25th "	144	"	231	"	206	"
1st August	145	"	231	"	207	"
8th "	142	"	235	"	203	"
15th "	136	"	221	"	184	Dec/Jan.
22nd "	133	Dec/Jan.	226	"	184	"
29th "	129	"	194	Apl./May.	173	"
5th September	131	"	193	1936.	171	"
12th "		Market	closed.	"		"
19th "	141	Dec/Jan.	204	"	186	"
26th "	140	"	205	"	186	"
3rd October	150	"	217	"	198	"
10th "	150	"	217	"	197	"
17th "	149	"	215	"	195	"
24th "	149	"	216	"	196	"
31st "	150	"	215	"	198	"
7th November	150	"	215	"	197	"
14th "	169	Spot.	225	"	207	"
21st "	167	"	225	"	207	"
28th "	162	"	226	"	208	"
5th December	161	"	223	"	206	"
12th "	157	"	218	"	200	"
19th "		"	218	"	200	"
26th "		Market	closed.	"		"

TABLE No. 9.

STOCKS OF YARN AND CLOTH HELD BY BOMBAY MILLS.

The following table shows the stocks of Yarn and Cloth held by Bombay Mills compiled from returns received by the Association :—

Date of Returns.	YARN STOCKS IN BALES.			CLOTH STOCKS IN BALES.		
	Approximation of stocks for all Bombay Mills.			Approximation of stocks for all Bombay Mills.		
	Sold but delivery not taken.	Unsold.	Total unclear- ed.	Sold but delivery not taken.	Unsold.	Total unclear- ed.
1932.						
January 31st	11,000	6,000	17,000	65,000	75,000	140,000
February 29th	11,000	5,000	16,000	53,000	67,000	120,000
March 31st	13,000	6,000	19,000	57,000	73,000	130,000
April 30th	15,000	4,000	24,000	60,000	78,000	138,000
May 31st	18,000	12,000	30,000	73,000	82,000	155,000
June 30th	17,000	11,000	28,000	76,000	89,000	165,000
July 31st	16,000	10,000	26,000	84,000	84,000	168,000
August 31st	15,000	11,000	26,000	90,000	78,000	168,000
September 30th	14,000	13,000	27,000	85,000	79,000	164,000
October 31st	17,000	13,000	30,000	90,000	70,000	160,000
November 30th	15,000	14,000	29,000	74,000	74,000	148,000
December 31st	16,000	14,000	30,000	69,000	85,000	154,000
1933.						
January 31st	16,000	13,000	29,000	68,000	86,000	154,000
February 28th	16,000	15,000	31,000	66,000	90,000	156,000
March 31st	15,000	16,000	31,000	63,000	97,000	160,000
April 30th	15,000	16,000	31,000	59,000	106,000	165,000
May 31st	15,000	13,000	28,000	62,000	101,000	163,000
June 30th	15,000	15,000	30,000	68,000	90,000	158,000
July 31st	14,000	15,000	29,000	76,000	87,000	163,000
August 31st	14,000	15,000	29,000	75,000	88,000	163,000
September 30th	12,000	14,000	26,000	71,000	78,000	149,000
October 31st	14,000	10,000	24,000	60,000	74,000	134,000
November 30th	8,000	13,000	21,000	48,000	66,000	114,000
December 31st	8,000	10,000	18,000	43,000	63,000	106,000
1934.						
January 31st	7,000	10,000	17,000	41,000	63,000	104,000
February 28th	8,000	10,000	18,000	42,000	54,000	96,000
March 31st	9,000	11,000	20,000	39,000	52,000	91,000
April 30th	7,000	10,000	17,000	40,000	43,000	83,000
May 31st	3,000	8,000	11,000	31,000	31,000	62,000
June 30th	5,000	7,000	12,000	33,000	27,000	60,000
July 31st	5,000	6,000	11,000	38,000	29,000	67,000
August 31st	6,000	6,000	12,000	48,000	26,000	74,000
September 30th	7,000	7,000	14,000	48,000	25,000	73,000
October 31st	7,000	7,000	14,000	41,000	22,000	63,000
November 30th	6,000	6,000	12,000	39,000	19,000	58,000
December 31st	7,000	4,000	11,000	42,000	19,000	61,000
1935.						
January 31st	6,000	5,000	11,000	46,000	22,000	68,000
February 28th	8,000	6,000	14,000	53,000	23,000	76,000
March 31st	10,000	8,000	18,000	56,000	24,000	80,000
April 30th	12,000	5,000	17,000	54,000	24,000	78,000
May 31st	11,000	6,000	17,000	58,000	23,000	81,000
June 30th	11,000	8,000	19,000	72,000	26,000	98,000
July 31st	11,000	7,000	18,000	79,000	27,000	106,000
August 31st	12,000	8,000	20,000	86,000	26,000	112,000
September 30th	12,000	7,000	19,000	73,000	24,000	97,000
October 31st	11,000	5,000	16,000	61,000	23,000	84,000
November 30th	11,000	7,000	18,000	61,000	24,000	85,000
December 31st	11,000	10,000	21,000	64,000	28,000	92,000

TABLE NO. 10.
AVERAGE WHOLESALE PRICES OF PIECEGOODS AND YARN
PRODUCED BY BOMBAY MILLS.

Date.	PIECEGOODS.			YARN.	
	Longcloth.	T. Cloths.	Chadars.	Twist. No. 10's.	Twist. No. 20's.
	As.	As.	As.	As.	As.
Year ending December 31st, 1905 ..	9.39	9.56	9.30	5 29/32	7.0
Year ending December 31st, 1906 ..	9.46	9.45	9.38	5 29/32	7 5/16
Year ending December 31st, 1907 ..		Not Available.			
Year ending December 31st, 1908 ..	9 7/16	9 1/16	8 15/16	5 3/32	6 1/4
Year ending December 31st, 1909 ..		Not Available.			
Year ending December 31st, 1910 ..	9 15/16	9 3/16	9 3/16	6 27/32	7 13/16
Year ending December 31st, 1911 ..		Not Available.			
Year ending December 31st, 1912 ..	10 13/16	10 1/2	9 1/2	7 5/32	8 1/2
Year ending December 31st, 1913 ..		Not Available.			
Year ending December 31st, 1914 ..	9 1/2	9 3/16	9 5/16	5 1/2	6 23/32
Year ending December 31st, 1915 ..	9 1/16	8 7/16	8 7/16	5	6 1/32
Year ending December 31st, 1916 ..	11 1/2	11 1/2	10 1/2	6 7/16	8 9/32
Year ending December 31st, 1917 ..	17 1/2	16 3/16	14 15/16	9 7/16	12 29/32
Year ending December 31st, 1918 ..	29 1/2	26 1/2	25 1/2	16 29/32	20 31/32
Year ending December 31st, 1919 ..	26 1/2	24 9/16	24 1/2	16 19/32	21 3/16
Year ending December 31st, 1920 ..	29 1/2	27 1/2	27 9/16	16 11/16	24 1/2
Year ending December 31st, 1921 ..	26 3/16	24 1/2	24 5/16	12 9/32	17
Year ending December 31st, 1922 ..	25 11/32	22 1/2	23 1/2	12 1/2	16 15/16
Year ending December 31st, 1923 ..	21 1/2	19 15/16	19 13/16	12 1/16	15 19/32
Year ending December 31st, 1924 ..	22 1/2	21 1/2	20 9/16	14 1/2	17 11/32
Year ending December 31st, 1925 ..	19 1/2	18 9/16	18 1/8	12 3/32	13 31/32

TABLE No. 10—contd.

AVERAGE WHOLESALE PRICES OF GREY UNBLEACHED PIECEGOODS IN 1935.

	Longcloth Standard Quality 37×37½×9 Per lb.	Shirtings 35×38×9 Per lb.	Leopard Cloth 43×38×11½ Per lb.	Dhoties (up to ¼" Nakhi border), 32×9×1½ Per lb.	Dhoties Calcutta ¾" P.B. 44×10×1½ Per lb.	Drills 29½×40×13½ 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, 1926	1 0 5	0 15 5	....	1 0 5	....	0 14 0	0 15 2	0 14 9	0 15 2	0 15 6
Year ending 31st December, 1927	0 15 1	0 14 6	....	0 15 4	....	0 12 7	0 14 7	0 13 10	0 13 10	0 14 4
Year ending 31st December, 1928	0 15 4	0 14 9	....	0 15 9	....	0 12 11	0 14 9	0 14 6	0 14 5	0 14 3
Year ending 31st December, 1929	0 15 5	0 14 9	....	0 15 9	....	0 13 1	0 15 0	0 14 11	0 14 6	0 14 11
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
Fortnight ending :—							(35×40×13½)	(35×40×12)		
11th January, 1935	0 10 6	0 9 10	0 9 10	0 9 11	0 14 6	0 8 4	0 8 5	0 8 8	0 9 9	0 10 2
25th January, 1935	0 10 6	0 9 11	0 10 0	0 10 2	0 14 6	0 8 5	0 8 8	0 8 7	0 9 9	0 10 3
8th February, 1935	0 10 5	0 9 8	0 10 1	0 10 3	0 14 6	0 8 5	0 8 7	0 8 6	0 10 0	0 10 3
22nd February, 1935	0 10 5	0 10 0	0 10 0	0 10 3	0 14 7	0 8 5	0 8 7	0 8 8	0 10 0	0 10 3
8th March, 1935	0 10 4	0 9 11	0 9 11	0 10 3	0 14 8	0 8 5	0 8 6	0 8 9	0 10 0	0 10 2
22nd March, 1935	0 10 1	0 9 10	0 9 8	0 10 2	0 14 6	0 8 5	0 8 5	0 8 7	0 10 0	0 10 2
5th April, 1935	0 10 2	0 9 10	0 9 8	0 10 2	0 14 5	0 8 4	0 8 5	0 8 7	0 10 0	0 10 2
18th April, 1935	0 10 2	0 9 10	0 9 8	0 10 2	0 14 5	0 8 4	0 8 4	0 8 7	0 10 0	0 10 1
3rd May, 1935	0 10 2	0 9 10	0 9 8	0 10 2	0 14 6	0 8 4	0 8 4	0 8 7	0 10 0	0 10 1
17th May, 1935	0 10 2	0 9 10	0 9 5	0 10 2	0 14 6	0 8 5	0 8 4	0 8 6	0 10 0	0 10 1
31st May, 1935	0 10 0	0 9 8	0 9 7	0 10 3	0 14 7	0 8 6	0 8 4	0 8 6	0 10 0	0 9 11
13th June, 1935	0 10 0	0 9 8	0 9 7	0 9 11	0 14 6	0 8 6	0 8 4	0 8 5	0 10 0	0 9 11
28th June, 1935	0 9 11	0 9 7	0 9 6	0 9 11	0 14 6	0 8 6	0 8 4	0 8 6	Not quoted	0 9 11
12th July, 1935	0 9 11	0 9 7	0 9 6	0 9 11	0 14 6	0 8 6	0 8 3	0 8 6	....	0 9 11
26th July, 1935	0 9 10	0 9 7	0 9 5	0 9 10	0 14 6	0 8 8	0 8 2	0 8 7	....	0 9 11
9th August, 1935	0 9 9	0 9 7	0 9 5	0 9 9	0 14 6	0 8 6	0 8 5	0 8 8	....	0 10 0
23rd August, 1935	0 9 9	0 9 7	0 9 5	0 9 9	0 14 5	0 8 3	0 8 5	0 8 7	....	0 10 0
5th September, 1935	0 9 9	0 9 6	0 9 4	0 9 10	0 14 5	0 8 3	0 8 5	0 8 7	....	0 10 0
20th September, 1935	0 9 9	0 9 6	0 9 4	0 9 10	0 14 6	0 8 6	0 8 5	0 8 7	....	0 10 0
4th October, 1935	0 9 9	0 9 8	0 9 4	0 9 10	0 14 6	0 8 7	0 8 5	0 8 7	....	0 10 0
18th October, 1935	0 9 10	0 9 8	0 9 5	0 9 10	0 14 6	0 8 7	0 8 5	0 8 7	....	0 10 0
1st November, 1935	0 9 10	0 9 7	0 9 6	0 9 10	0 14 7	0 8 7	0 8 5	0 8 6	....	0 10 0
15th November, 1935	0 9 10	0 9 8	0 9 6	0 9 10	0 14 7	0 8 8	0 8 5	0 8 6	....	0 10 0
29th November, 1935	0 9 10	0 9 8	0 9 6	0 9 10	0 14 7	0 8 7	0 8 6	0 8 6	....	0 10 0
13th December, 1935	0 9 11	0 9 8	0 9 6	0 9 10	0 14 5	0 8 4	0 8 5	0 8 5	....	Not quoted
27th December, 1935	0 9 11	0 9 7	0 9 6	0 9 10	0 14 5	0 8 2	0 8 4	0 8 3	....	....

NOTE :—Figures extracted from the current quotations issued by the Association.

AVERAGE WHOLESALE PRICES FOR WHITE PIECEGOODS AND GREY YARN IN 1935.

	WHITE BLEACHED.		YARN (Price per lb.)											
	Long-cloth 34 X 40 Per Piece.	Drill 27 X 42	4s. All Waste.	6s. All Waste.	8 $\frac{1}{2}$	10 $\frac{1}{2}$	12 $\frac{1}{2}$	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.
Year ending 31st December, 1926				0 6 4	0 7 5	0 8 4	0 9 2	0 10 2	0 10 8	0 12 5				
Do. 1927				0 6 11	0 8 0	0 8 8	0 9 9	0 10 3	0 10 10	0 11 4				
Do. 1928				0 7 8	0 8 7	0 9 5	0 10 0	0 11 1	0 11 10	0 12 5				
Do. 1929				0 7 4	0 8 4	0 9 1	0 9 6	0 10 8	0 11 9	0 12 6				
Do. 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 0	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	0 10 2			
Do. 1933				0 3 10	0 4 11	0 5 4	0 5 8	0 6 5	0 7 0	0 8 4	0 9 6			
Do. 1934				0 4 2	0 4 11	0 5 3	0 5 7	0 6 7	0 7 1	0 7 10	0 9 4			
11th January, 1935	9 1 0	8 8 3	0 3 9	0 4 3	0 5 7	0 6 0	0 6 3	0 7 8	0 8 2	0 8 10	0 10 4	0 12 7	1 1 0	1 6 2
25th January, 1935	9 1 4	8 9 3	0 4 0	0 4 5	0 5 10	0 6 1	0 6 5	0 8 0	0 8 4	0 9 2	0 10 9	0 12 7	1 1 0	1 6 2
8th February, 1935	9 1 4	8 10 9	0 4 2	0 4 5	0 5 10	0 6 1	0 6 4	0 7 11	0 8 5	0 9 3	0 11 4	0 12 7	1 1 0	1 6 2
22nd February, 1935	9 3 4	8 10 3	Not quoted.	0 4 5	0 5 10	0 6 1	0 6 4	0 7 10	0 8 4	0 9 2	0 10 7	0 12 7	1 1 3	1 6 5
8th March, 1935	9 3 4	8 10 3	0 3 6	Not quoted.	0 5 8	0 5 10	0 6 3	0 7 11	0 8 2	0 9 1	0 10 6	0 12 4	1 1 1	1 6 5
22nd March, 1935	9 3 4	8 9 9	0 3 6	0 3 9	0 5 2	0 5 7	0 5 10	0 7 6	0 7 9	0 8 4	0 10 4	0 12 1	1 1 2	1 6 9
5th April, 1935	9 3 4	8 8 4	0 3 4	0 3 6	0 5 2	0 5 5	0 5 8	0 7 1	0 7 7	0 8 3	0 10 2	0 11 10	1 1 1	1 6 9
18th April, 1935	9 3 4	8 8 4	Not quoted.	Not quoted.	0 5 2	0 5 6	0 5 10	0 7 5	0 7 8	0 8 3	0 10 2	0 11 10	1 1 0	1 6 9
3rd May, 1935	9 3 4	8 8 4	"	"	0 5 3	0 5 6	0 5 10	0 7 6	0 8 0	0 8 11	0 10 4	0 11 11	1 1 0	1 6 9
17th May, 1935	9 3 0	8 12 3	0 3 4	0 4 0	0 5 5	0 5 10	0 6 1	0 7 3	0 8 0	0 8 10	0 10 4	0 11 9	1 1 1	1 6 10
31st May, 1935	9 3 8	8 9 3	Not quoted.	Not quoted.	0 5 6	0 5 11	0 6 2	0 7 5	0 8 1	0 8 10	0 10 6	0 11 9	1 1 1	1 6 10
13th June, 1935	9 3 8	8 8 9	"	"	0 5 5	0 5 10	0 6 3	0 7 5	0 8 1	0 8 10	0 10 6	0 12 1	1 1 2	1 6 9
28th June, 1935	Not quoted.	8 6 9	"	0 3 11	0 5 4	0 5 10	0 6 1	0 7 6	0 8 1	0 8 9	0 10 4	0 11 9	1 1 2	1 6 10
12th July, 1935	"	8 6 9	0 3 3	0 4 1	0 5 5	0 5 10	0 6 1	0 7 5	0 8 1	0 8 9	0 10 4	0 11 9	1 1 1	1 6 9
26th July, 1935	"	8 9 3	0 3 3	0 4 0	0 5 4	0 5 9	0 6 1	0 7 5	0 8 1	0 8 9	0 10 4	0 11 9	1 0 9	1 6 9
9th August, 1935	"	8 7 6	0 3 3	0 3 9	0 5 3	0 5 8	0 6 0	0 7 6	0 8 2	0 8 9	0 10 3	0 11 9	1 0 9	1 7 2
23rd August, 1935	"	8 7 0	0 3 5	0 3 9	0 5 2	0 5 7	0 5 11	0 7 4	0 8 0	0 8 9	0 10 2	0 11 8	1 0 9	1 7 2
5th September, 1935	"	8 7 0	0 3 3	0 3 9	0 5 1	0 5 7	0 5 10	0 7 0	0 7 10	0 8 7	0 10 1	0 11 8	1 0 9	1 6 7
20th September, 1935	"	8 7 2	0 3 3	0 4 2	0 5 1	0 5 7	0 5 11	0 7 2	0 7 8	0 8 5	0 10 0	0 11 5	1 0 9	1 6 4
4th October, 1935	"	8 7 2	0 3 4	Not quoted.	0 5 3	0 5 7	0 6 1	0 7 6	0 7 10	0 8 7	0 10 2	0 11 5	1 0 9	1 6 5
18th October, 1935	10 6 6	8 4 3	0 3 7	0 4 2	0 5 8	0 6 1	0 6 5	0 7 8	0 8 3	0 8 11	0 10 6	0 11 8	1 0 11	1 6 5
1st November, 1935	10 6 6	8 5 0	0 3 7	0 4 1	0 5 6	0 6 0	0 6 4	0 7 7	0 8 2	0 9 0	0 10 6	0 11 7	1 0 10	1 6 5
15th November, 1935	10 6 6	8 5 0	Not quoted.	Not quoted.	0 5 7	0 6 2	0 6 5	0 7 8	0 8 3	0 9 0	0 10 7	0 11 9	1 1 1	1 6 5
29th November, 1935	10 6 6	8 5 0	0 3 4	0 3 11	0 5 7	0 6 0	0 6 5	0 7 7	0 8 3	0 9 1	0 10 6	0 11 9	1 1 1	Not quoted.
13th December, 1935	Not quoted.	8 5 0	0 3 4	0 3 11	0 5 5	0 6 0	0 6 4	0 7 5	0 8 1	0 8 9	0 10 3	0 11 7	1 1 1	1 6 7
27th December, 1935	9 15 0	8 5 0	0 3 4	0 3 11	0 5 4	0 5 10	0 6 2	0 7 3	0 7 11	0 8 7	0 10 0	0 11 6	1 0 11	1 6 7

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TABLE NO. II.
EXCHANGE VARIATIONS IN 1935 FOR TELEGRAPHIC TRANSFERS, DEMAND
DRAFTS AND THE PRICE OF SILVER.

1935.				Bombay/ London. Selling T. T. Rate.		Bombay/ Yokohama Per 100 yens Selling T. T. Rate.	Bombay/ Hongkong Per 100 dollars Selling D.D. Rate.	Bombay/ Shanghai Per 100 taels. Selling D.D. Rate.	Bombay/ New York Per 100 dollars. Selling D.D. Rate.	Price in Bombay for 100 tolas of ready silver.
				s	Rs.	Rs.	Rs	Rs.	Rs. a. p	
Jany.	Highest	..	..	1/6 1/8	77½	121	100 1/2	273	66 5 0
	Lowest	..	..	1/6 1/32	77½	116 1/2	94 3/4	269½	61 10 0
Febry.	Highest	..	..	1/6 1/8	77½	128 1/4	106½	272½	63 6 0
	Lowest	..	..	1/6 1/8	77½	119	97	270½	60 10 0
March	Highest	..	..	1/6 1/8	78½	141	114	280½	69 0 0
	Lowest	..	..	1/6 1/16	77½	130 3/4	105½	273½	62 15 0
April	Highest	..	..	1/6 3/32	78½	170	114½	277	87 0 0
	Lowest	..	..	1/6 1/16	78	136 1/2	103½	274	67 10 0
May	Highest	..	..	1/6 1/8	78½	169 1/2	115½	275	83 12 0
	Lowest	..	..	1/6 3/32	78½	161	113½	268	76 13 0
June	Highest	..	..	1/6 3/32	78½	163 1/2	115½	275	80 2 0
	Lowest	..	..	1/6 3/32	78	150 1/2	113½	268	71 14 0
July	Highest	..	..	1/6 3/32	78½	150 1/2	107½	269½	74 9 0
	Lowest	..	..	1/6 1/16	78½	142	102½	266	69 8 0
Aug.	Highest	..	..	1/6 3/32	78½	142	103½	268½	71 4 0
	Lowest	..	..	1/6 3/32	78½	130 1/2	100	267½	64 5 0
Sept.	Highest	..	..	1/6 3/32	78½	140	106½	270½	67 11 0
	Lowest	..	..	1/6 3/32	77½	134 1/2	100	268½	65 10 0
Octr.	Highest	..	..	1/6 3/32	77½	139 1/4	105½	272	69 8 0
	Lowest	..	..	1/6 3/32	77½	127	84½	270½	66 0 0
Novr.	Highest	..	..	1/6 3/32	77½	124 1/4	84½	271½	67 3 0
	Lowest	..	..	1/6 3/32	77½	95	80½	269½	64 8 0
Decr.	Highest	..	..	1/6 3/32	77½	99 3/4	81½	270½	65 3 0
	Lowest	..	..	1/6 3/32	77½	87 1/2	80½	269	48 0 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.)

	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.
BRITISH INDIA—																				
1 to 10	107,143	88,391	84,663	81,044	81,180	94,251	97,603	80,123	87,505	89,339	110,470	104,601	54,412	94,367	101,283	104,200	104,901	96,691	95,679	97,741
11 to 20	347,767	325,045	292,365	321,738	334,403	345,897	348,816	299,062	343,306	316,531	353,712	353,501	250,954	322,659	339,667	362,721	406,845	378,659	369,876	368,162
21 to 30	181,466	173,794	180,216	174,240	188,824	193,330	197,325	163,219	205,347	191,063	221,702	240,296	181,581	233,096	233,630	253,019	272,051	229,891	239,129	247,875
31 to 40	23,280	23,800	18,583	16,533	14,868	16,707	15,836	19,143	18,774	18,498	24,849	29,808	33,066	43,185	53,411	64,251	73,071	66,314	82,393	102,481
Above 40	4,461	5,748	4,503	3,542	2,067	2,364	2,195	3,255	5,809	5,816	10,292	11,685	9,200	13,639	22,751	31,987	34,245	34,040	39,018	51,933
Wastes	346	223	231	256	314	472	162	324	330	1,319	2,590	5,926	5,227	6,375	5,963	4,891	5,346	5,349	5,669	5,360
TOTAL ..	644,447	626,801	590,561	597,353	621,655	653,011	661,936	570,125	661,162	623,371	723,903	745,819	534,442	713,543	755,725	821,069	896,459	810,945	831,766	863,182
NATIVE STATES—																				
1 to 10	3,539	2,061	2,637	3,143	2,763	4,816	5,375	4,721	5,291	6,365	5,935	7,911	8,756	10,421	11,150	12,997	13,322	10,742	12,994	13,068
11 to 20	22,166	20,957	22,175	25,262	23,125	25,563	26,802	26,005	33,619	32,493	37,046	49,643	48,968	53,315	64,168	66,102	75,467	72,969	82,887	87,706
21 to 30	10,019	9,874	8,989	9,417	10,282	9,832	11,634	13,758	18,465	22,726	23,394	24,064	27,334	30,615	31,603	31,309	33,248	30,226	34,638	38,272
31 to 40	821	789	606	543	156	94	94	524	593	1,239	1,797	1,835	2,304	2,584	3,245	3,971	4,495	6,618	8,805	8,706
Above 40	116	94	53	18	....	26	....	6	14	18	142	212	254	873	961	1,174	1,749	2,435	3,289	4,694
Wastes .. .. .	....	....	....	19	41	20	52	190	247	196	187	484	256	268	275	283	283	297	293	293
TOTAL ..	36,680	33,778	34,480	38,405	38,347	40,452	43,958	47,204	59,228	63,057	68,702	84,149	87,870	99,726	111,300	115,835	128,465	123,486	143,105	153,029
GRAND TOTAL, BRITISH INDIA AND NATIVE STATES—																				
1 to 10	110,682	100,452	87,300	84,188	83,943	99,067	102,978	84,843	92,796	95,724	116,415	112,512	63,168	104,909	112,432	117,197	118,123	107,432	108,673	110,830
11 to 20	369,933	346,002	314,541	347,000	359,527	371,452	375,617	327,067	377,015	349,024	390,759	403,144	299,920	377,974	402,833	428,823	482,312	451,629	452,762	475,859
21 to 30	171,485	183,667	189,204	183,657	199,086	203,162	208,959	181,977	223,812	213,789	245,295	264,362	208,915	263,913	265,233	284,328	305,298	280,117	273,969	286,147
31 to 40	24,082	24,389	19,189	17,080	15,024	16,900	15,930	19,667	19,368	19,737	26,645	31,643	35,370	45,719	56,657	68,222	77,566	73,132	91,201	111,196
Above 40	4,677	5,842	4,555	3,560	2,067	2,369	2,195	3,261	5,822	5,834	10,436	11,899	9,454	14,212	23,612	33,161	35,994	36,475	42,307	56,557
Wastes	346	223	231	275	355	492	214	514	578	1,513	2,777	6,409	5,483	6,643	6,258	5,174	5,630	5,646	5,962	5,633
GRAND TOTAL ..	681,107	660,576	615,040	635,780	660,003	693,463	705,894	617,329	719,390	686,428	792,906	829,968	622,312	813,269	867,025	936,904	1,024,924	934,431	974,871	1,046,212

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* During the years 1923-24 and 1925-26 all the mills in the City and Island of Bombay were closed for about 2 months and 2½ months respectively.

† Includes 605 lbs. for which details are not known.
‡ Do, 288 do, do, do.

Notes.—The periods covered by all the Statistics included in the report are, unless otherwise stated, official years ending 31st March.

§ During the year 1928 all the mills in the City and Island of Bombay were closed for about 6 months and for about 4½ months during 1929.

TABLE No. 13.

STATEMENT SHOWING THE QUANTITY OF YARN SPUN IN BOMBAY CITY AND ISLAND.

(In thousands of pounds.)

Descriptions.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.
Nos. 1 to 10..	73,500	71,167	55,970	56,406	58,242	71,274	74,226	56,123	61,164	56,982	75,498	66,995	28,436	54,055	54,381	53,321	52,094	44,725	37,822	43,497
Nos. 11 to 20..	198,700	186,336	151,433	173,435	183,839	175,505	171,828	125,910	156,150	116,959	152,442	142,755	58,298	105,766	103,861	115,740	128,178	97,266	90,480	112,848
Nos. 21 to 30..	77,591	90,916	90,604	81,274	94,134	94,753	95,406	79,538	98,955	79,114	102,169	110,397	48,697	81,295	85,229	101,541	103,225	76,754	76,990	94,587
Nos. 31 to 40..	4,824	6,991	6,669	5,161	5,178	6,000	5,587	6,605	7,961	5,885	8,858	11,290	8,024	12,891	20,517	27,206	33,468	22,040	27,200	37,685
Above 40 ..	1,226	1,847	1,447	1,405	921	989	1,028	1,338	3,212	2,503	3,834	5,306	2,769	4,768	9,053	12,351	13,487	10,180	13,514	18,702
Wastes, etc. ..	58	32	67	38	143	173	24	73	101	520	1,085	1,204	628	967	576	745	655	796	1,148	803
TOTAL ..	355,899	357,289	306,190	317,719	342,457	348,694	348,099	269,587	327,543	261,963	343,887	337,948	146,853	259,741	273,617	310,903	331,108	251,762	247,154	308,122

* 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.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	
GREY AND BLEACHED PIECEGOODS																					
Chadars	Yards ..	67,761	54,049	37,914	68,093	59,194	59,428	63,202	58,003	61,614	62,078	65,106	66,659	55,699	65,942	57,500	54,520	59,690	54,161	60,115	57,848
Dhulis	Yards ..	300,949	325,017	369,357	337,602	340,128	455,637	431,145	399,214	458,404	516,394	590,425	614,169	651,131	726,656	829,348	941,393	1,050,443	999,906	1,073,328	1,220,806
Drills and Jeans	Yards ..	56,503	76,611	54,284	80,845	74,305	60,452	56,306	54,974	77,191	74,150	80,078	90,672	73,666	96,330	100,232	115,224	105,346	117,120	126,067	
Cambrics and Lawns	Yards ..	6,379	8,277	5,195	8,473	5,951	7,347	5,554	3,649	5,395	3,167	3,135	4,968	5,204	3,132	17,256	37,674	68,682	70,925	112,652	152,917
Printers	Yards ..	31,599	26,583	23,087	29,837	28,284	35,622	39,073	34,831	32,777	25,872	22,513	20,876	21,630	18,761	19,294	21,764	16,008	18,403	18,922	19,136
Shirtings and Longcloth	Yards ..	427,763	450,630	393,779	444,501	438,240	487,034	470,549	443,848	525,524	521,126	587,363	612,076	466,134	881,417	605,150	769,607	787,789	714,640	827,316	845,047
T-cloth, Domestic and Sheetings ..	Yards ..	192,132	137,396	110,511	122,402	97,358	84,117	81,002	68,076	77,742	74,073	83,906	96,233	72,057	90,270	104,474	149,956	158,257	129,787	158,623	156,074
Tent Cloth	Yards ..	17,181	24,550	38,970	5,671	7,508	7,255	6,588	6,573	9,694	9,005	7,907	5,960	6,791	7,466	9,268	5,126	6,405	5,387	5,777	7,107
Khadi, Dungree or Khaddar ..	Yards ..	..	..	..	..	..	..	..	87,153	87,406	96,625	118,738	88,226	123,329	165,678	124,074	117,947	96,127	101,629	118,861	
Other Sorts	Yards ..	35,913	35,899	45,733	66,649	60,686	87,659	118,371	128,488	46,675	41,035	43,406	43,252	33,578	41,960	39,587	49,532	59,103	62,771	76,962	79,857
TOTAL ..	Yards ..	1,136,170	1,141,022	1,076,711	1,164,073	1,129,883	1,284,752	1,271,790	1,197,654	1,382,368	1,414,304	1,580,862	1,678,653	1,374,083	1,766,644	1,927,791	2,269,779	2,439,447	2,257,422	2,551,441	2,756,120
Coloured Piecegoods	Yards ..	441,962	473,105	374,015	475,706	450,967	446,822	453,494	503,920	588,078	540,157	645,153	695,996	486,149	600,741	666,316	646,703	763,775	686,002	734,366	798,014
Grey and Coloured Goods other than Piecegoods	Dozens ..	680	706	721	659	707	629	1,213	514	611	956	1,071	956	781	1,155	913	782	911	900	920	1,174
Cotton Goods mixed with Silk or Wool	Pounds ..	43	253	307	204	227	178	165	207	272	708	1,876	4,278	3,446	3,982	3,514	3,389	1,940	1,477	3,443	4,540
Grand Total {	Pounds ..	43	253	307	204	227	178	165	207	272	708	1,876	4,278	3,446	3,982	3,514	3,389	1,940	1,477	3,443	4,540
	Yards ..	1,578,133	1,614,126	1,450,726	1,639,778	1,580,850	1,731,573	1,725,284	1,701,574	1,970,447	1,954,461	2,225,515	2,371,849	1,860,232	2,357,385	2,494,106	2,900,482	3,203,223	2,948,423	3,285,807	3,554,154
	Dozens ..	680	706	721	659	707	629	1,213	514	611	956	1,074	956	781	1,155	913	782	911	900	920	1,174

Until the year 1924-25, Khadi, Dungree or Khaddar production was included in 'other sorts.'

Previous to 1st April 1926, the actual production figures of cloth were not recorded, the figures given in the tables relate to the quantities on which excise duty had become payable. (See Cotton Duties Act of 1896 for detailed interpretation of the term 'manufactured.') (Please see footnote to table 12 regarding strikes in Bombay Mills.)

TABLE No. 15.
DETAILED STATEMENT OF THE QUANTITY AND DESCRIPTION OF WOVEN GOODS PRODUCED IN BOMBAY CITY AND ISLAND.
 (Figures in thousands.)

Description of Goods.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.	
GREY AND BLEACHED GOODS—																					
Chadars Yds.	31,655	27,816	14,820	29,010	25,102	28,248	25,239	24,318	25,734	26,795	29,995	31,057	13,644	19,279	18,935	16,576	16,487	16,427	14,406	16,474	
Dhuties	48,341	65,429	88,605	78,919	77,547	121,793	102,025	97,624	110,997	115,412	145,998	170,800	80,484	159,927	224,301	278,577	326,893	258,583	247,321	390,158	
Drills and Jeans	36,452	55,596	33,292	50,170	46,034	35,504	31,523	33,294	49,907	38,408	49,323	58,202	36,514	55,743	46,294	66,263	71,944	61,017	61,199	62,576	
Cambrics and Lawns	4,075	5,269	3,190	3,897	2,470	4,448	2,186	1,560	2,443	1,449	340	1,856	2,216	840	4,176	14,706	14,634	13,603	26,789	41,678	
Printers	122	61	314	449	376	1,479	1,674	280	165	1,041	927	..	..	26	13	1,047	933	321	..	..
Shirtings and Longcloths	236,283	297,201	233,227	255,628	270,724	311,600	289,340	278,940	326,482	306,776	371,738	380,759	179,243	272,161	319,384	414,754	436,910	331,573	330,702	387,196	
T-Cloths, Domestic and Sheetings	144,514	93,344	64,672	82,792	66,848	53,722	48,427	39,457	45,034	36,195	42,219	46,105	18,233	25,345	33,133	66,817	68,290	55,833	56,407	55,087	
Tent Cloth	7,189	8,820	21,026	2,745	2,924	2,499	1,924	1,488	2,261	2,205	2,399	1,330	1,626	1,842	1,644	698	1,205	814	461	1,198	
Khadi, Dungri or Khaddar .. .. .	..	..	..	..	..	..	..	..	30,574	27,514	46,721	55,340	18,332	34,186	58,677	27,769	15,648	13,831	11,975	11,330
Other Sorts	6,662	9,644	12,669	14,827	12,313	26,633	44,980	45,897	11,549	10,302	10,898	13,595	8,179	14,581	14,116	18,111	20,835	14,686	18,823	23,964	
TOTAL	515,292	563,180	471,814	518,436	504,339	585,926	547,318	522,859	605,145	566,097	700,581	759,044	359,472	583,929	720,674	905,318	973,779	766,687	768,082	989,662	
COLOURED PIECEGOODS	314,893	369,958	286,090	344,856	332,168	336,001	322,966	333,024	380,883	305,744	386,085	409,377	186,974	278,103	239,193	268,712	292,969	203,432	178,048	242,956	
GREY AND COLOURED GOODS other THAN PIECEGOODS, Doz.	532	581	616	486	503	420	487	349	429	721	784	656	427	700	458	315	342	316	279	451	
COTTON GOODS MIXED with SILK OR WOOL	15	96	113	58	113	64	99	139	115	468	1,140	2,105	847	708	1,090	1,749	282	471	1,785	2,700	
GRAND TOTAL	830,185	933,138	757,904	863,292	836,507	921,927	870,285	855,883	986,028	871,841	1,086,666	1,168,421	545,446	862,032	959,867	1,174,030	1,266,748	970,119	946,130	1,232,618	
	532	581	616	486	503	420	487	349	429	721	784	656	427	700	458	315	342	316	279	451	
	15	96	113	58	113	64	99	139	115	468	1,140	2,105	847	708	1,090	1,749	282	471	1,785	2,700	

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NOTE.—Until the year 1924-25, Khadi, Dungee or Khaddar production was included in 'other sorts.' Previous to 1st April 1926, the actual production figures of cloth were not recorded, the figures given in the tables relate to the quantities on which excise duty had become payable. (See Cotton Duties Act of 1806 for detailed interpretation of the term 'manufactured.') See footnote to Table 12 for strikes in Bombay Mills.

TABLE No. 16.
IMPORTS OF COTTON YARN INTO INDIA.
(Quantities in thousands of pounds.)

Classifications of Yarn.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.
GREY SINGLES—																				
18 to 108	29	16	99	41	216	91	89	107	99	80	85	354	17	103	10	..	..	8	39	..
118 to 158	99	63	99	114	148	55	36	102	81	22	26	551	30	6	5	10	10	13	2	..
168 to 208	614	70	7,660	182	6,993	6,555	12,652	6,377	6,629	4,201	2,008	1,069	748	836	334	143	660	150	162	81
218 to 258	5	23	..	32	128	900	449	231	168	168	136	140	357	78	49	5	7	11	54	16
268 to 308	884	446	1,927	531	3,436	4,063	4,650	893	677	415	202	348	127	245	103	425	823	559	641	1,017
318 to 408	4,800	2,255	12,805	2,079	13,885	19,035	21,061	12,943	21,383	21,680	20,924	25,049	13,826	15,996	14,897	13,025	18,299	15,085	6,100	11,618
418 to 508	1,580	1,413	3,316	1,061	1,429	2,517	2,131	2,078	1,983	1,288	2,031	1,324	1,118	937	600	257	419	544	391	460
Above 508	2,117	1,346	2,718	..	(See classifications below)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
518 to 608 .. .. .	..	..	..	767	1,776	2,708	1,772	2,490	3,123	2,883	3,559	3,019	4,357	4,638	1,792	2,445	3,714	2,639	3,686	4,901
618 to 1008 .. .. .	..	..	..	1,143	851	2,742	1,957	2,463	1,997	1,756	2,000	1,705	1,901	1,956	1,064	901	1,505	1,439	1,915	1,663
Above 1008 .. .. .	..	..	..	50	37	135	123	137	114	242	165	117	137	153	137	113	82	75	128	118
GREY TWO FOLDS (Doubles)	..	..	..	840	3,183	4,974	4,063	3,434	5,023	5,222	5,799	6,656	3,815	5,600	3,072	3,440	5,149	3,713	5,848	8,137
WHITE (BLEACHED)	..	..	..	1,077	2,040	2,520	1,894	2,650	3,427	3,751	4,112	4,985	4,555	5,570	4,132	3,014	4,238	3,016	3,276	3,642
COLOURED SINGLES—																				
18 to 208	562	205	132	120	234	260	292	271	361	469	293	445	266	201	197	177	247	125	182	152
218 to 258	583	355	461	308	304	319	352	242	309	375	396	220	248	200	204	208	315	219	206	143
268 to 308	497	155	136	136	321	174	58	100	257	160	199	114	78	28	23	25	6	5	12	10
318 to 408	11,218	7,810	3,980	4,773	8,958	7,705	5,596	6,864	6,305	4,614	4,165	4,167	2,176	3,126	1,196	552	552	432	280	304
418 to 508	587	403	221	92	455	221	5	68	50	84	232	87	52	92	49	42	15	58	24	25
Above 508	602	408	480	478	473	558	235	503	391	433	533	459	270	446	248	181	224	132	133	177
COLOURED TWO FOLDS (Doubles)	..	..	..	448	1,060	772	490	598	810	973	694	579	498	433	420	280	348	256	347	213
MERCERISED COTTON YARN	1,742	1,135	902	470	1,280	794	1,320	2,019	2,664	2,845	4,165	5,181	3,895	5,874	3,674	4,624	7,547	5,225	6,509	9,932
UNSPECIFIED DESCRIPTION	3,609	3,297	3,161	353	127	24	49	4	57	27	29	76	27	30	11	21	24	40	40	16
SEWING THREAD	2,384	1,755	1,360	1,705	1,496	1,004	1,230	1,534	1,660	2,154	2,135	2,387	2,085	2,360	2,049	1,815	2,034	1,939	2,511	2,841
ARTIFICIAL SILK YARN	..	..	51	168	74	71	225	406	1,171	2,671	4,012	8,478	6,927	7,992	6,016	8,045	12,354	8,024	15,279	15,913
TOTAL	31,914	21,155	39,506	16,970	48,903	58,200	60,729	46,515	58,738	56,513	57,900	67,500	47,570	56,900	40,342	40,353	58,572	43,707	47,764	61,429

NOTE.—Before the year 1919-20 all yarns above 50 Counts were grouped as "above 50s." It was only in 1920 that Government introduced the three additional classifications, viz., 518 to 608, 618 to 1008, and above 1008. Before 1919-20 Greyfolds (doubles), white bleached, and Coloured two folds were not separately shown. The same remark applies to artificial silk yarn prior to 1918-19; previously it was included in the general heading "unspecified descriptions."

TABLE No. 17.
IMPORTS OF COTTON YARN INTO BOMBAY.

(Quantities in thousands of pounds.)

Classifications of Yarn.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.
GREY SINGLES—																				
1S to 10S .. .. .	..	1	97	40	110	49	80	73	17	30	..	260	16	102	10	..	..	8	39	..
11S to 15S .. .. .	..	1	42	71	29	8	..	..	4	4	5	541	13	..	..	1	..	12	..	..
16S to 20S	491	6	6,265	144	5,295	4,716	8,445	4,003	2,044	1,365	299	226	6	40	23	16	578	97	146	46
21S to 25S	1	19	..	8	73	737	300	41	37	..	6	3	228	..	1	..	..	..	38	9
26S to 30S	779	436	1,384	451	2,362	3,354	4,486	833	574	397	152	210	89	182	106	8	10	9	26	16
31S to 40S	1,671	953	8,208	1,046	7,510	10,300	11,244	8,238	11,933	12,874	12,250	15,820	6,075	6,334	3,282	3,183	4,493	2,123	1,351	1,304
41S to 50S	1,044	867	3,089	775	682	1,673	1,482	1,372	1,358	743	884	856	521	588	422	69	96	207	221	297
Above 50S	1,103	734	1,864	..	(See classifications below)	& footnote.	..	..	..	..	..	..	..	..	..	..	..	..	..	..
51S to 60S .. .. .	..	..	..	564	784	912	343	297	627	926	665	649	1,132	1,047	327	67	162	56	1,146	1,710
61S to 100S .. .. .	..	..	..	509	381	1,178	838	888	803	385	654	427	321	448	237	48	62	135	133	396
Above 100S .. .. .	..	..	..	8	22	33	13	17	39	127	41	51	19	22	37	..	2	..	2	15
GREY TWO FOLDS (Doubles) .. .. .	..	..	..	839	3,089	3,948	3,564	2,888	3,954	4,123	5,521	5,323	3,124	4,509	2,240	2,504	3,618	2,105	3,306	5,538
WHITE (BLEACHED) .. .. .	..	..	..	587	1,234	1,482	1,060	1,585	1,916	1,990	2,217	2,525	2,144	2,099	1,806	1,668	1,853	1,354	1,189	1,097
COLOURED SINGLES—																				
1S to 20S	34	1	..	2	24	2	7	3	36	3	..	1	..	2	1	1	..	1	..	4
21S to 25S	4	3	..	..	13	1	2	..	..	..	1	..	2	1	1	..	..	5	..	..
26S to 30S	133	44	30	49	91	72	35	8	61	22	4	13	16	7	5	..	..	..	..	..
31S to 40S	1,874	871	445	630	1,172	1,146	443	892	753	376	339	254	171	240	50	23	2	11	6	1
41S to 50S	183	10	79	71	100	211	..	58	31	57	62	86	43	26	13	22	6	18	..	..
Above 50S	37	13	17	5	16	25	1	6	13	27	8	..	2	..	..	..	..	..	..	..
COLOURED TWO FOLDS (Doubles) .. .. .	..	..	..	306	2,743	566	242	385	487	463	430	213	123	84	50	6	..	2	..	10
MERCERISED COTTON YARN	1,612	1,047	874	453	1,209	770	1,286	1,904	2,607	2,731	4,076	5,162	3,799	5,502	3,045	4,123	6,338	4,054	4,514	7,342
UNSPECIFIED DESCRIPTION	895	1,048	707	..	..	..	..	..	22	11	2	6	27	20	4	17	10	7	8	6
SEWING THREAD	1,383	906	642	412	545	384	465	601	681	721	664	822	721	830	747	661	816	756	974	994
ARTIFICIAL SILK YARN .. .. .	..	..	51	168	69	63	201	356	879	2,002	3,367	7,295	4,981	4,996	3,087	5,540	7,675	4,900	8,951	10,754
TOTAL	11,245	6,962	23,794	7,139	25,556	31,631	34,535	24,509	28,875	29,376	31,647	40,743	23,573	27,080	15,494	17,958	25,721	15,860	22,052	29,541

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(See footnote to Table 16.)

TABLE NO. 18.
STATEMENT SHOWING THE VARIOUS CLASSES OF PIECEGOODS IMPORTED INTO BRITISH INDIA.
 (Quantities in thousands of yards.)

DESCRIPTION.	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22	1922-23	1923-24	1924-25	1925-26	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.
PIECEGOODS.																				
GREY, UNBLEACHED (PLAIN AND BORDERED):—																				
Chadars	1,647	263	1	296	439	367	634	730	831	760	1,052	1,084	954	1,193	318	23	45	48	74	255
Dhuties, Saris, etc. .. .	520,161	398,001	304,314	348,193	291,255	383,411	506,657	432,658	489,881	429,271	509,089	508,666	454,127	490,653	304,944	87,149	113,683	120,265	92,894	122,166
Drills and Jeans	21,171	7,575	13,673	9,811	17,616	16,123	14,275	16,802	17,282	19,427	15,329	14,602	10,132	13,179	5,411	2,862	1,721	1,789	830	1,542
Flannels .. .. .	..	36	19	412	2	..	6	6	61	19	22	16	12	2	298	4	..	..	..	21
Jaconets and Madapollams .. .	82,935	62,730	48,909	40,784	39,061	55,176	83,594	72,983	89,407	57,039	74,327	76,779	77,113	58,518	29,496	22,264	24,283	24,151	23,210	20,718
Longcloth	184,919	122,847	159,611	114,484	181,893	129,364	280,131	119,036	208,741	171,327	166,635	242,408	207,860	344,623	213,600	130,970	190,983	116,895	134,497	187,970
Prints .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,225
Printers	35,092	30,272	53,793	17,778	46,358	50,164	44,516	60,742	39,361	30,413	19,870	24,000	8,652	14,296	4,471	4,715	3,827	3,591	2,529	1,007
T-cloth and Domestics .. .	121	2,815	2,696	1,564	2,942	398	584	310	531	482	369	576	95	113	89	28	14	..	..	..
Unspecified Sorts	944	936	403	451	642	605	221	488	1,394	323	210	498	979	2,298	1,433	1,558	1,300	1,079	1,006	1,660
TOTAL	846,990	625,475	583,420	533,341	580,208	635,608	931,025	703,956	845,502	709,085	786,906	868,829	759,923	924,838	560,066	249,572	335,856	267,619	255,033	337,543
WHITE, BLEACHED:—																				
Chadars	1,538	679	173	419	479	396	414	487	718	277	311	251	173	54	85	..	17	..	10	4,668
Checks, Spots and Stripes .. .	11,169	5,172	1,312	3,939	8,950	1,542	5,793	8,458	11,024	7,020	10,122	12,820	15,517	11,873	7,046	2,939	6,426	5,900	4,175	5,638
Dhuties, Saris, etc. .. .	63,496	41,623	35,797	37,913	35,672	31,944	44,959	45,693	63,896	72,590	109,993	87,197	40,907	51,704	20,921	2,845	2,636	5,684	8,889	3,578
Drills and Jeans	6,880	3,301	4,447	3,259	6,315	2,023	3,140	6,347	6,106	5,499	6,586	5,603	6,468	4,767	3,694	4,918	4,621	4,094	4,094	3,578
Embroidered All-Overs .. .	..	..	..	19	367	11	52	38	35	67	44	..	54	..	15	..	..	..	4,101	4,752
Flannels .. .. .	..	390	17	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets, etc.	183,101	13,549	4,424	10,314	11,624	5,737	7,118	8,292	9,294	9,398	13,762	13,950	16,610	16,181	14,273	8,669	17,438	14,880	14,880	21,289
Laws .. .. .	..	..	5,929	4,157	8,666	4,688	8,679	7,698	9,193	8,855	16,100	8,550	7,481	11,953	7,344	4,867	15,272	5,229	6,005	7,182
Longcloth and Shirting .. .	123,180	113,337	65,940	77,328	108,521	48,163	69,365	67,215	122,724	93,787	93,073	113,352	121,773	100,408	91,839	71,903	109,325	73,440	72,709	71,017
Mulls .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Nainsooks	168,966	150,193	27,134	59,128	121,718	67,551	90,752	89,468	105,367	76,998	66,861	82,629	86,882	53,173	40,034	20,329	28,504	21,007	14,155	10,544
Sheetings .. .. .	..	265	739	218	260	36	135	220	153	164	212	140	..	..	..	..	..	..	..	..
Sheetings .. .. .	..	8	46	8	4	..	..	17	1	25	4	..	..	..	..	..	..	..	..	..
T-cloth and Domestics .. .	9,128	6,974	2,255	6,207	13,409	3,349	6,382	7,275	13,342	12,226	11,553	14,395	17,487	16,166	11,448	3,309	9,936	7,997	6,407	9,436
Twills	22,082	15,133	9,258	9,543	11,888	2,410	6,569	13,419	16,152	8,995	12,600	11,119	10,181	5,060	2,206	1,797	2,327	1,775	2,061	1,662
Unspecified Sorts .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL	589,833	502,353	266,635	322,047	421,784	306,167	402,492	415,357	548,876	465,112	545,781	568,846	565,315	477,143	349,715	262,935	391,132	284,863	277,461	279,487
COLOURED, PRINTED OR DYED:—																				
Cambrics	48,716	50,759	29,287	29,440	54,357	17,701	36,186	44,139	44,472	34,737	38,720	48,816	54,335	43,987	28,237	16,627	34,045	35,372	44,222	46,750
Chadars	12	7	7	19	22	1	4	2	58	3	49	70	2	11	15	..	2	1	24	..
Checks, Spots and Stripes .. .	17,284	11,341	5,331	5,843	13,588	3,657	6,474	8,512	15,446	10,770	14,868	17,856	23,362	24,139	18,720	4,743	10,789	12,795	14,408	18,985
Dhuties, Lungis and Sarongs .. .	24,807	11,938	5,394	11,098	16,278	11,344	17,676	12,776	15,238	17,908	20,697	21,188	17,222	24,334	21,278	13,658	24,556	15,533	14,012	19,508
Drills and Jeans	20,090	22,797	16,856	7,009	19,335	9,628	16,049	17,213	25,349	32,358	38,914	65,973	53,622	78,905	47,464	33,285	66,047	54,977	52,231	65,604
Embroidered All-Overs .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Flannels .. .. .	..	9,672	4,175	1,294	9,744	1,413	1,610	3,900	6,302	10,301	18,877	21,363	18,980	10,436	7,078	10,050	19,159	3,719	9,413	10,355
Prints and Chintz	106,872	100,988	70,025	48,905	114,722	28,735	44,689	61,529	59,533	56,026	49,801	64,878	76,079	65,297	42,859	21,243	48,142	25,865	28,392	21,961
Saris and Scarves	39,567	28,608	17,320	14,125	38,177	15,944	19,166	32,655	30,772	29,280	34,040	34,116	37,059	33,920	24,788	7,915	15,836	17,034	22,645	21,554
Shirtings	64,121	60,838	24,703	27,985	71,571	25,015	38,231	51,605	69,317	72,450	87,766	86,117	95,406	95,974	74,525	57,337	111,125	61,246	61,467	96,491
Twills	16,505	23,465	10,812	7,524	31,179	5,753	9,289	16,810	22,243	20,368	24,530	40,217	48,975	35,004	22,329	17,252	22,279	15,378	18,644	14,497
Sateens .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Coatings and Trouserings .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Italian Cloth and Sateens .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Velvets and Velvetens .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Sorts	116,985	75,182	43,429	55,254	120,283	19,089	54,415	98,353	118,240	56,613	59,818	53,346	40,393	31,104	22,368	9,969	16,753	16,033	19,702	23,401
TOTAL	454,959	395,594	227,919	208,296	469,256	138,279	243,789	347,493	406,971	365,836	429,390	493,432	518,727	471,900	328,840	207,447	399,663	274,597	340,813	363,830
FABRICS OF ALL KINDS	41,740	32,086	24,600	17,064	18,472	9,746	15,969	19,020	21,882	23,680	21,883	34,032	36,778	36,456	14,846	21,420	28,383	32,807	45,180	52,001

TABLE NO. 19.
STATEMENT SHOWING THE VARIOUS CLASSES OF PIECEGOODS IMPORTED INTO BOMBAY.
 (Quantities in thousands of yards.)

Description.	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22	1922-23	1923-24	1924-25	1925-26	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	Calendar Year 1935.
PIECEGOODS.																				
GREY, UNBLEACHED (PLAIN AND BORDERED).—																				
Chadars .. .. .	..	..	..	7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dhuties, Saries, etc.	8,545	8,024	7,626	6,493	5,625	2,460	7,683	7,965	11,015	7,962	6,695	8,614	11,672	18,632	10,189	363	2,254	4,113	1,723	2,918
Drills and Jeans	12,022	4,828	9,971	7,311	12,602	8,743	9,554	12,376	10,231	12,258	8,101	7,277	5,137	6,464	2,115	1,054	832	553	479	422
Flannels .. .. .	..	16	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets and Madapolams	23,490	24,250	20,259	10,876	12,556	22,282	20,816	16,500	25,161	13,188	13,913	20,977	25,829	20,002	9,933	9,360	11,775	11,540	9,988	9,940
Longcloth	43,126	31,115	78,241	26,204	66,247	35,661	58,550	35,534	54,777	65,388	55,804	78,421	81,228	144,076	71,631	41,208	66,340	48,989	63,908	79,063
Printers .. .. .	..	..	..	..	..	..	..	..	13	..	..	..	..	..	..	..	..	..	..	..
Sheetings	34,351	29,930	44,757	17,481	44,019	46,949	36,612	53,781	29,262	21,662	11,971	16,101	5,468	11,876	2,090	4,835	3,671	2,657	853	140
T-Cloth and Domestics	38	1,991	2,349	481	2,018	277	419	29	289	..	98	384	6	16	..	..	..	..	..	..
Unspecified Sorts	393	387	58	51	185	390	28	55	457	41	27	90	569	1,308	423	960	792	793	690	709
TOTAL	121,965	100,541	163,261	68,904	143,250	116,662	138,696	126,540	131,303	120,791	96,694	131,907	129,876	202,487	96,396	57,583	85,665	68,847	77,641	93,184
WHITE, BLEACHED:—																				
Checks, Spots and Stripes	1,125	1,202	273	613	916	236	682	1,073	1,360	1,547	2,305	1,560	1,664	881	505	149	795	1,173	845	934
Dhutis, Saries, etc.	10,522	3,388	10,411	9,825	4,972	3,260	7,219	6,853	10,371	12,554	8,904	11,400	13,407	16,358	3,785	198	102	1,765	2,445	1,716
Drills and Jeans	3,601	1,143	675	1,548	3,031	417	499	1,399	2,126	2,492	2,596	3,202	3,394	3,353	1,854	843	1,817	2,166	2,188	2,381
Embroidered All-Overs .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Flannels .. .. .	..	268	..	..	301	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets, etc.	35,238	1,589	1,515	3,154	9,593	518	1,397	1,964	1,745	3,221	4,430	3,728	5,214	2,824	2,550	2,862	6,180	4,139	6,282	4,624
Laws .. .. .	..	..	880	852	1,036	190	1,132	538	495	389	808	918	591	325	500	331	560	445	312	88
Longcloth and Shirting	37,695	31,022	30,724	25,445	27,671	11,607	11,610	16,359	32,882	21,640	18,769	28,417	31,584	25,344	18,889	12,352	28,095	21,074	20,785	15,746
Mulls .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Nainsooks .. .. .	..	28,901	27,871	24,604	18,733	22,439	23,083	31,309	34,069	30,405	33,493	33,750	48,209	39,407	20,120	14,205	22,734	22,309	13,849	16,302
Sheetings	44,949	38,166	10,118	13,722	35,144	10,203	13,314	22,738	24,670	22,436	9,438	20,342	20,149	12,056	8,629	3,732	6,617	8,248	1,401	1,585
T-Cloth and Domestics	78	592	25	104	105	7	14	38	64	74	62	37	106	46	31	33	9	6	7	4
Twills	8	43	246	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Sorts	1,378	392	375	839	1,633	69	239	690	1,519	1	10	3,082	3,178	5,059	4,267	2,416	735	1,578	2,842	2,742
TOTAL	12,564	8,797	7,174	4,970	4,915	957	2,681	4,431	5,864	4,249	5,181	3,699	4,432	2,043	562	238	444	170	193	290
COLOURED, PRINTED OR DYED:—																				
Cambrics	18,507	19,527	11,652	11,988	14,010	3,312	10,717	15,356	4,684	14,624	15,441	19,081	26,284	20,506	11,601	4,469	10,727	11,588	14,580	13,129
Chadars .. .. .	..	6	6	18	22	..	..	2	29	..	18	5	2	..	..	..	..	..	..	..
Checks, Spots and Stripes	4,189	3,422	1,363	1,864	4,460	458	1,682	1,449	3,929	4,390	7,014	6,960	11,594	10,788	8,071	916	3,953	4,701	3,913	4,005
Dhutis, Lungis and Sarongs	489	431	153	457	265	44	146	107	240	310	479	183	510	660	249	33	153	117	36	10
Drills and Jeans	9,191	6,139	2,445	2,555	3,469	1,997	2,903	3,057	6,034	7,072	8,346	16,428	20,725	34,985	15,060	7,785	28,091	32,277	26,763	34,362
Embroidered All-Overs .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Flannels .. .. .	..	3,416	397	464	1,928	214	145	721	1,398	2,334	5,400	5,460	4,990	3,788	1,079	1,731	4,021	1,086	1,817	2,672
Prints and Chintz	66,786	60,290	48,431	27,452	66,460	11,566	23,268	40,707	37,136	39,123	31,701	44,297	55,917	40,767	20,931	9,965	28,447	14,898	15,792	10,296
Saris and Scarves	12,209	7,371	6,493	5,355	11,739	3,049	6,324	12,296	12,358	14,079	8,399	8,624	16,183	18,775	7,621	953	5,352	7,987	9,845	8,151
Shirtings	16,005	12,322	6,920	5,602	14,116	4,669	10,797	14,135	15,041	17,884	22,372	18,928	23,566	27,729	15,602	12,853	32,063	20,901	29,680	32,098
Twills	2,667	3,466	4,908	1,334	4,469	903	1,126	1,573	3,273	5,523	7,165	15,394	20,648	15,983	7,583	3,751	7,408	7,188	7,304	5,906
Sateens .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Coatings and Trouserings .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Italian Cloth and Sateens .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Velvet and Velveteens .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Sorts	59,652	36,283	26,230	27,711	56,894	7,819	22,684	46,917	49,538	16,217	10,468	8,764	6,669	5,802	2,892	1,614	3,099	5,143	5,420	8,086
TOTAL	189,695	152,673	108,998	83,780	177,842	34,071	79,792	136,320	143,850	131,296	133,976	159,296	211,890	190,679	98,296	47,811	130,982	110,487	130,902	129,819
Fents of all Descriptions	24,428	23,567	21,271	13,274	13,787	8,813	15,283	17,770	20,256	22,056	20,133	32,069	34,186	33,126	12,839	12,828	24,551	21,985	30,296	44,981

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TABLE No. 22.
SUMMARY OF IMPORTS OF COTTON YARN INTO BOMBAY.
(In thousands of pounds.)

Description of Yarn.	United Kingdom.			Japan.			China (including Hongkong).			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.			
	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	1933	1934	1935	
Grey Singles ..	524	544	1,156	159	119	653	1,936	2,358	1,969	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	25	53	15	2,648	3,104	3,798
Coloured Singles	24	..	..	..	..	..	..	..	..	..	..	..	11	..	..	..	..	..	..	6	..	..	..	..	..	..	5	35	6	6
White Bleached	1,214	997	548	140	182	538	..	..	10	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,355	1,189	1,097
Grey Folded ..	371	279	433	711	797	1,640	1,020	2,204	3,450	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4	27	15	2,105	3,906	5,538
Coloured Folded	2	..	10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	..	10
Mercerised ..	28	59	61	4,026	4,444	7,279	..	11	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4,054	4,514	7,343
Artificial Silk	796	525	80	537	3,277	5,252	..	..	13	..	..	..	2,769	4,527	5,150	105	83	22	26	19	..	220	64	7	387	456	169	4,900	5,951	10,754
Unspecified ..	7	8	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	7	8	6
Rope	500	488	808	29	64	14	13	21	4	1	542	578	627
Sewing Thread ..	617	749	815	1	19	15	1	..	..	..	..	..	..	..	..	90	127	114	..	..	..	..	4	3	47	75	13	756	974	994
Total ..	4,085	3,655	3,718	5,603	8,910	15,392	2,956	4,573	5,444	13	21	4	2,781	4,527	5,150	195	219	196	26	25	..	280	86	10	463	620	218	16,402	22,630	30,168	

TABLE No. 26.

SUMMARY OF IMPORTS OF COTTON PIECEGOODS INTO INDIA.

(In thousands of Yards.)

	United Kingdom.			Japan.			China (including Hongkong).			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.			
	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	
Grey Plain	29,325	24,529	23,872	117,925	131,628	190,973	157	425	..	284	296	316	..	25	..	..	..	..	..	..	38	2	3	71	28	32	147,480	156,032	215,317	
Grey Bordered	78,217	69,053	68,479	45,120	28,976	53,858	..	29	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	42	..	120,339	98,101	122,337
White Bleached	200,871	221,879	214,396	79,049	46,858	56,801	24	2	1	6	22	14	194	376	236	1,816	2,150	1,440	2,381	3,166	3,568	36	90	146	837	939	895	284,883	277,461	279,487	
Printed	54,387	86,299	79,746	89,700	97,821	139,655	9	..	..	8	217	70	..	521	1	103	38	1	11	2	26	11	..	..	112	598	106	144,341	183,497	219,608
Dyed	75,696	99,351	85,370	22,924	20,134	21,903	115	596	321	67	280	287	749	601	713	433	153	188	1,387	1,702	2,916	14	33	37	660	1,051	660	102,047	123,901	113,424	
Woven Coloured.. ..	9,601	13,730	9,324	17,669	16,699	21,692	..	35	34	19	62	4	175	315	288	317	4	13	12	37	108	83	108	162	144	426	174	28,308	31,413	31,600	
Fests of all descriptions	11,148	9,762	7,634	7,411	25,630	58,660	2	5	12	14,013	9,631	5,278	2	20	16	..	..	..	112	34	106	33	62	10	84	36	53	32,807	45,160	52,001
Towels in the piece	10	3	4	10	3	4
Piecegoods of Cotton and Artificial Silk	2,830	3,421	2,991	65,806	67,670	71,066	17	12	5	..	..	1	3,201	2,387	773	3	1	2	1,900	1,216	3	209	101	104	1,318	732	315	75,285	75,461	73,236
Canvas	441	541	674	179	89	138	..	..	..	..	..	1	14	14	..	..	..	..	..	..	..	32	25	108	1	10	1	667	680	921
TOTAL	459,725	528,568	492,480	445,503	437,404	596,976	324	1,105	374	14,378	10,508	5,970	4,335	4,260	2,028	2,374	2,328	1,644	5,778	6,189	6,727	429	429	670	3,229	3,881	2,287	936,087	994,631	1,106,037	

TABLE No. 29.

SUMMARY OF IMPORTS OF COTTON PIECEGOODS INTO BOMBAY.

(In thousands of yards.)

	United Kingdom.			Japan.			China (including Hongkong.			U.S. of America.			Italy.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.		
	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.
Grey Plain	13,984	11,451	10,710	50,102	64,168	79,232	148	..	..	261	290	316	..	..	..	..	..	..	..	..	38	2	3	..	8	6	64,534	75,918	90,267	
Grey Bordered ..	3,637	1,532	2,862	475	151	54	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	40	..	4,113	1,723	2,916	
White Bleached ..	23,517	27,399	27,373	30,484	20,301	18,485	10	..	..	4	5	1	148	267	204	704	919	658	1,075	1,840	1,564	31	75	118	371	468	524	61,345	53,274	48,929
Printed	24,167	29,946	22,988	49,807	53,807	67,224	9	..	..	4	43	62	..	77	1	..	..	..	10	2	26	11	..	..	9	64	71	74,017	83,940	90,372
Dyed	24,437	35,518	27,282	3,824	2,979	4,560	4	43	1	37	206	266	415	269	320	1	..	1	1,084	1,142	2,498	9	11	14	460	654	333	30,273	40,823	35,275
Woven Coloured ..	3,061	2,421	1,230	2,949	3,539	2,607	..	..	..	..	..	..	34	79	62	..	2	..	6	11	..	30	33	44	115	54	27	6,197	6,139	3,972
Fents of all descriptions ..	7,045	5,569	4,519	6,270	17,437	35,379	2	5	5	8,514	7,228	4,928	2	9	2	..	..	..	65	22	96	5	1	1	82	25	49	21,985	30,296	44,960
Towels in the piece ..	9	1	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	9	1	2
Piecegoods of Cotton and Artificial Silk ..	1,508	1,956	1,867	50,171	52,293	52,838	5	3	..	..	..	..	2,354	1,699	496	..	..	..	1,526	1,266	2	79	29	22	1,015	519	226	56,656	57,765	55,453
Canvas	151	200	208	52	12	15	..	..	..	..	..	..	..	14	..	..	..	..	..	..	5	12	54	..	10	..	208	247	278	
TOTAL ..	106,515	117,993	99,042	194,134	214,687	260,394	179	52	6	8,822	7,772	5,573	2,953	2,413	1,085	706	921	660	3,767	4,284	4,168	208	164	257	2,054	1,842	1,237	319,337	350,127	372,445

TABLE No. 31.
EXPORTS OF COTTON PIECEGOODS OF INDIAN MANUFACTURE FROM BOMBAY.

(In thousands of yards.)

	European Countries.			China.			Egypt and North Africa.			Red Sea Ports.			East Africa.			Levant and Black Sea Ports.			Ceylon and Straits.			Persian Gulf.			South Africa.			Other Countries.			TOTAL.			
	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.				
GREY (Unbleached):—																																		
Chadars and Dhutis	101	128	28	1,537	1,049	950	6	65	36	38	34	35	6	4	1,689	1,281	1,050
Drills and Jeans .. ..	..	..	56	..	..	..	..	..	..	1	7	..	264	345	842	..	..	..	6	..	17	39	46	30	..	11	2	..	..	..	310	469	948
T-Cloths and Domestics ..	..	..	..	..	..	..	..	..	..	359	291	22	..	4	..	..	..	..	..	..	78	1	..	..	..	..	..	..	..	..	359	295	100
Shirts .. ..	..	..	65	388	..	..	..	..	..	161	384	277	317	233	118	..	4	..	24	463	572	237	148	169	5	277	1,693	1	22	121	747	1,593	3,337
Other Shorts	9	40	708	..	..	..	..	..	121	96	172	199	587	877	1,184	..	..	..	123	149	307	46	49	36	33	391	1,013	50	42	14	943	1,719	3,575
TOTAL GREY ..	9	103	1,151	..	..	..	..	..	121	718	982	527	2,705	2,508	3,084	..	4	..	159	677	1,002	362	277	271	45	683	2,709	51	64	135	4,049	5,300	6,010
WHITE (Bleached):—																																		
Chadars and Dhutis .. ..	..	..	..	..	..	..	..	..	..	..	4	17	..	15	19	..	..	..	7	..	12	..	..	..	..	..	2	..	..	..	7	19	81
Drills and Jeans	1	..	5	..	..	..	..	..	..	..	..	..	8	7	71	..	..	..	..	..	8	30	18	18	..	..	..	..	..	..	38	25	102
T-Cloths and Domestics ..	..	..	..	..	..	..	..	..	..	25	19	14	..	..	8	..	..	..	..	..	..	2	16	4	..	..	..	..	..	..	27	35	28
Shirts	3	..	1	..	..	..	..	..	..	23	22	157	57	24	78	..	24	2	4	2	145	39	11	10	..	..	..	..	..	118	127	83	510
Other Sorts	1	32	..	..	..	..	..	..	..	18	32	18	39	27	25	..	..	..	25	24	250	6	4	42	..	..	25	..	10	..	88	129	361
TOTAL WHITE ..	5	32	6	..	..	..	..	..	..	66	77	206	103	73	201	..	24	2	37	27	415	77	50	74	..	..	27	..	10	118	288	292	1,050
COLOURED, PRINTED OR DYED:—																																		
Lungs and Saris .. ..	..	..	..	..	..	..	..	..	..	1,802	887	890	106	118	28	..	..	..	35	87	30	4	6	50	30	52	94	..	..	..	1,976	1,150	1,091
Drills and Jeans .. ..	..	..	125	..	..	..	..	..	..	..	10	..	193	215	318	..	..	..	2	3	28	337	772	2,317	..	19	10	..	..	..	533	1,019	2,797
Other Sorts	23	9	388	..	..	..	4	11	3	1,757	1,234	1,011	6,639	3,952	3,522	1	3	2	1,276	3,417	7,265	21,131	13,217	11,444	518	1,028	2,098	11	336	6,221	31,360	23,205	31,954
TOTAL COLOURED, PRINTED OR DYED	24	9	513	..	..	..	4	11	3	3,558	2,130	1,901	6,938	4,285	3,857	1	3	2	1,313	3,507	7,321	21,472	13,995	13,812	549	1,098	2,102	11	336	6,221	33,669	25,373	35,842

See foot-note to Table 24.

TABLE No. 32.
RE-EXPORTS OF FOREIGN MANUFACTURED PIECEGOODS AND YARN FROM BRITISH INDIA.

	YARN (In thousand pounds).												PIECEGOODS (In thousand yards).														
	Twist & Yarn.			Rope.			Sewing Thread.			Total.			Grey.			White.			Coloured, etc.			Fanta.			Total.		
	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.
	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.
European Countries ..	1	1	..	..	..	..	..	..	..	1	1	..	..	4	18	9	45	6	101	124	187	3	2	..	112	176	226
China & Hongkong ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	7	3	3	42	31	30	..	..	..	48	34	33
Egypt & North Africa ..	38	13	21	..	..	..	..	..	..	38	13	21	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Red Sea Ports ..	28	44	9	..	..	..	..	..	..	29	45	9	751	518	2,127	169	344	152	768	347	111	15	..	..	1,704	1,210	2,360
East Africa ..	1	2	3	..	..	..	11	6	4	12	8	7	427	293	297	97	248	357	586	959	514	..	..	..	1,110	1,499	1,168
Levant & Black Sea Ports ..	95	97	62	..	..	..	..	..	..	95	97	62	..	..	..	..	..	..	..	..	1	8	..	..	6	..	1
Ceylon & Straits ..	6	16	7	..	..	..	3	3	2	9	18	9	707	604	297	897	459	524	767	1,181	581	..	70	..	2,371	2,316	1,403
Persian Gulf ..	627	198	90	..	..	..	4	5	4	631	203	94	3,560	1,913	1,827	4,493	1,921	882	11,076	4,623	2,513	..	..	..	19,129	8,456	5,222
South Africa ..	..	..	..	..	..	..	18	6	12	18	6	12	..	..	..	..	7	..	60	26	19	..	..	..	60	33	20
Other Countries ..	3	6	4	..	..	..	..	..	..	3	6	4	19	2	2	8	9	..	28	30	61	29	261	469	82	300	532
TOTAL ..	890	375	197	..	..	..	37	22	22	836	397	220	5,464	3,335	4,566	5,680	3,036	1,924	13,425	7,320	4,017	63	333	469	24,624	14,025	10,994

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.			Fanta.			TOTAL.		
	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.
	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.	1933.	1934.	1935.
European Countries ..	1	..	..	..	..	..	..	..	..	1	..	..	..	4	18	9	8	6	59	15	61	9	2	..	70	30	63
China and Hongkong ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	7	..	2	42	31	30	..	..	..	48	31	32
Egypt and North Africa ..	38	13	21	..	..	..	..	..	..	38	13	21	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Red Sea Ports ..	28	44	9	..	..	..	..	..	..	29	45	9	751	518	2,127	165	344	152	760	347	103	15	..	..	1,992	1,210	2,381
East Africa ..	1	2	3	..	..	..	11	6	4	12	8	7	427	293	297	64	233	350	586	959	514	..	..	..	1,097	1,485	1,161
Levant and Black Sea Ports ..	95	97	62	..	..	..	..	..	..	95	97	62	..	..	..	..	..	..	..	..	1	..	..	..	..	..	1
Ceylon and Straits ..	6	16	7	..	..	..	3	3	2	9	18	9	670	566	283	848	356	520	657	610	406	..	..	..	2,176	1,533	1,210
Persian Gulf ..	627	184	90	..	..	..	4	5	4	631	188	94	3,531	1,827	1,779	4,442	1,837	821	10,861	4,323	2,241	..	..	..	18,624	7,997	4,840
South Africa ..	..	..	..	..	..	..	18	6	12	18	6	12	..	..	..	..	1	..	60	26	19	..	..	..	60	27	30
Other Countries ..	..	6	2	..	..	..	..	..	..	..	6	2	..	..	2	4	7	..	1	4	56	26	109	326	34	102	385
TOTAL ..	797	361	194	..	..	..	37	21	22	893	382	217	5,379	3,210	4,506	5,559	2,785	1,851	13,016	6,915	3,481	46	111	326	24,000	13,434	10,115

TABLE No. 34.
TABLE SHOWING THE APPROXIMATE YARDAGE OF PIECEGOODS AVAILABLE FOR CONSUMPTION IN INDIA.
(In millions of Yards.)

	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	'26-27.	'27-28.	'28-29.	'29-30.	'30-31.	'31-32.	'32-33.	'33-34.	'34-35.
Total Indian Mill Production	1,578	1,614	1,451	1,640	1,581	1,732	1,725	1,792	1,970	1,954	2,259	2,357	1,893	2,419	2,561	2,990	3,170	2,945	3,397
Less—Exports by Sea	264	189	149	197	146	161	157	165	181	165	197	169	149	133	98	105	66	56	58
Exports by Land	45	45	38	42	24	26	29	36	49	68*	83*†	88*†	95*†	86*†	90	103	103	113*	99
Balance	1,269	1,380	1,264	1,401	1,411	1,545	1,539	1,591	1,740	1,721	1,979	2,100	1,649	2,200	2,373	2,782	3,001	2,776	3,240
Imports	1,934	1,556	1,212	1,081	1,510	1,090	1,543	1,486	1,823	1,564	1,788	1,973	1,937	1,919	890	776	1,225	796	943
Total	2,203	2,936	2,476	2,482	2,921	2,635	3,132	3,077	3,563	3,285	3,767	4,073	3,586	4,119	3,263	3,558	4,226	3,572	4,183
Less—Exports by Sea	97	85	114	89	61	74	75	61	54	35	29	34	24	22	17	16	22	25	11
Exports by Land	65	65	53	56	44	36	51	51	59	116*	131*†	118*†	121	89	64	75	70	74	76
Total quantity of Piecegoods available for consumption in India	2,041	2,786	2,309	2,337	2,816	2,525	3,006	2,965	3,450	3,134	3,607	3,921	3,441	4,008	3,182	3,467	4,134	3,473	4,096

From 1916-17 to 1924-25 the figures in both the tables are taken *en bloc* from the "Notes on Hand Loom Weaving" by Mr. R. D. Bell.

NOTE:—With effect from 1st April 1925, the Government of India discontinued the publication of "Accounts relating to the trade by land of British India with other countries." Since then, the statistics in question are published in Special Supplements to the *Indian Trade Journal* in an abbreviated form. The revised form does not affect the above table materially but in Table 35 it has not been possible to separate the land export figures for Indian and foreign yarn. This, however, does not affect the approximate accuracy of the figure showing the balance of yarn available for consumption in India.

† Maunds converted into lbs. and lbs. converted into yds: 1 Maund=82½ lbs; 1 lb.=4.27 yds.

TABLE No. 35.
TABLE SHOWING THE APPROXIMATE POUNDAGE OF YARN AVAILABLE FOR CONSUMPTION IN INDIA.
(In millions of Lbs.)

	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	'26-27.	'27-28.	'28-29.	'29-30.	'30-31.	'31-32.	'32-33.	'33-34.	'34-35.
Total Indian Mill Production	681	660	615	636	660	693	706	617	719	686	807	809	648	833	867	9.6	1,016	921	1,001
Less—Exports by Sea	169	122	64	152	83	81	57	39	37	32	42	25	24	25	23	22	15	16	13
Exports by Land	9	8	8	9	6	7	7	7	9	7*	8*†	5*†	5*†	6*†	7*†	6*†	6	8	7
Balance	503	530	543	475	571	605	642	571	673	647	757	779	619	802	837	938	995	897	981
Imports	30	19	38	15	47	57	59	45	56	52	49	52	44	44	29	32	45	32	34
Total	533	549	581	490	618	662	701	616	729	699	806	831	663	846	866	970	1,040	929	1,015
Less—Exports by Sea	2	1	1	3	..	1	2	2	1	1	1	1	..	..	..	..	..	..	..
Exports by Land	5	6	5	4	3	3	5	4	4	..	..	..	..	..	..	..	..	..	..
Quantity of Yarn available for consumption in India	526	543	574	483	615	658	692	610	724	698	805	830	663	846	866	970	1,040	929	1,015
Cloth produced in India in millions of pounds. Approximate equivalent in Yarn (taking 100 lbs. of yarn=112 lbs. of piecegoods.) ..	377	381	350	384	367	403	405	402	459	465	539	568	446	562	590	672	695	646	736
Real balance of Yarn available for sale in India.	189	203	262	141	287	298	335	251	314	283	324	323	279	344	339	370	419	352	358

*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.		
Half-year ending		Yen.	Yen.	Yen.					
June, 1919	48	202,177,650	147,157,670	110,447,795	184	3,282,754	52,330	400,307	42,400
December, 1919	54	221,927,650	165,758,695	139,073,867	190	3,435,932	52,330	410,000	44,401
June, 1920	56	315,427,650	248,180,420	153,923,042	198	3,637,310	52,330	434,736	49,826
December, 1920	56	394,327,650	276,555,896	165,697,053	198	3,761,250	52,330	466,460	50,583
June, 1921	58	410,017,650	286,789,308	172,110,853	201	3,939,534	49,370	492,204	51,761
December, 1921	61	429,577,650	295,648,358	182,040,774	217	4,116,610	44,510	533,384	54,994
June, 1922	67	472,807,650	319,612,328	194,010,558	232	4,338,759	44,510	573,486	59,693
December, 1922	64	462,107,650	317,148,075	202,774,376	235	4,472,112	45,500	602,032	60,705
June, 1923	62	468,427,650	321,654,393	209,984,818	235	4,618,946	48,470	635,212	62,205
December, 1923	70*	530,277,650	376,272,935	217,407,870	241	4,422,428	14,370	510,031	64,460
June, 1924	69*	559,750,000	396,081,600	213,411,662	245	4,832,552	17,340	581,583	66,283
December, 1924	69*	575,302,500	398,163,443	219,043,315	247	5,100,546	25,150	685,995	68,579
June, 1925	64*	570,612,500	394,567,318	223,098,069	242	5,266,000	26,040	723,824	71,702
December, 1925	64*	551,362,500	382,714,817	223,531,448	243	5,413,094	34,090	759,632	73,381
June, 1926	65*	558,416,650	394,488,167	228,827,952	247	5,551,607	34,420	780,404	74,193
December, 1926	64*	559,237,500	391,305,247	231,149,181	247	5,644,772	35,080	780,688	77,043
June, 1927	64*	559,527,500	390,703,307	233,953,175	247	5,892,620	36,994	788,916	76,163
December, 1927	64*	535,077,500	391,550,767	238,307,331	257	6,079,272	36,994	787,490	78,352
June, 1928	68*	562,902,500	426,376,017	243,987,627	258	6,230,512	41,674	792,138	79,777
December, 1928	72*	552,196,250	419,792,127	249,978,831	259	6,425,500	41,674	809,452	81,209
June, 1929	72*	558,696,250	428,098,852	257,406,526	259	6,487,720	41,674	807,100	78,870
December, 1929	70*	560,846,250	429,415,222	259,756,504	258	6,795,502	41,014	808,324	77,896
June, 1930	73*	567,596,250	433,048,087	258,259,496	262	7,047,832	41,464	801,184	77,850
December, 1930	74*	561,989,750	425,346,487	252,094,974	263	7,171,527	42,474	803,094	79,466
June, 1931	74*	560,664,750	421,327,167	248,860,512	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	77,528
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	835,016	81,552
December, 1933	69*	543,761,100	403,898,752	255,398,338	268	8,608,608	35,320	842,808	86,343
June, 1934	70*	555,222,600	413,338,448	261,998,722	272	9,090,344	35,320	849,870	89,766
December, 1934	72*	567,228,600	438,573,910	273,315,614	275	9,495,254	35,320	868,440	91,146
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

* 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.
1909	306,535,475	105,293,050	53,332,225	13,087,891	6,366,292	..	4,787,692	489,402,625
1910	372,808,800	69,450,508	79,219,308	11,374,717	4,823,083	..	5,909,009	543,592,025
1911	297,798,250	111,540,908	110,200,125	13,506,525	1,837,833	..	4,321,184	539,204,825
1912	368,062,933	214,251,250	31,654,633	15,086,558	3,735,384	..	3,441,058	636,231,816
1913	434,685,666	202,441,016	46,621,309	16,699,942	7,547,250	..	4,143,508	712,138,691
1914	549,868,658	170,397,933	36,528,292	15,161,483	4,742,225	..	7,158,842	783,857,433
1915	559,320,525	209,035,492	18,389,108	13,436,266	2,641,083	..	4,998,742	807,821,216
1916	593,978,108	235,615,875	29,506,075	16,421,546	9,069,166	6,744,540	4,251,590	895,586,900
1917	590,521,080	242,144,925	42,305,808	14,717,091	3,715,905	8,194,558	4,344,308	905,943,675
1918	453,072,641	280,374,975	83,091,375	14,769,342	3,187,334	11,790,775	6,941,733	853,228,175
1919	376,648,588	355,589,221	130,970,193	15,588,908	2,265,292	11,454,470	5,037,182	897,553,824
1920	482,881,416	310,370,393	30,684,616	11,558,208	2,041,258	9,412,820	5,367,604	852,316,315
1921	521,998,441	304,763,617	3,037,340	14,600,500	3,923,158	8,744,408	3,479,358	860,546,824
1922	615,242,183	389,759,225	3,626,017	19,652,842	5,563,967	8,354,600	5,680,941	1,047,879,775
1923	652,798,508	296,423,592	25,836,858	22,140,542	2,519,492	12,054,233	7,929,408	1,019,702,633
1924	563,969,233	282,197,025	58,888,450	36,176,192	1,461,775	20,443,692	5,877,333	969,013,700
1925	637,749,440	378,526,322	47,050,425	34,567,864	2,712,025	18,994,691	9,742,440	1,129,343,210
1926	664,655,716	486,464,350	19,956,425	43,557,383	1,011,383	12,512,942	8,763,400	1,236,921,599
1927	551,571,275	562,091,700	15,841,558	39,414,575	2,958,633	9,768,591	7,474,050	1,189,120,382
1928	510,871,795	511,694,394	60,928,568	36,900,193	1,663,337	11,052,982	7,069,534	1,140,180,803
1929	643,388,869	565,561,191	29,004,654	42,942,636	572,363	14,876,498	7,260,005	1,303,606,216
1930	627,594,598	468,778,932	11,443,473	34,718,189	1,931,984	20,269,592	6,330,650	1,171,067,418
1931	580,912,185	562,947,021	2,600,976	34,950,377	1,218,158	14,086,629	4,837,025	1,201,552,371
1932	331,599,316	908,859,160	2,029,745	37,576,519	482,167	5,054,240	7,185,856	1,292,787,003
1933	461,207,207	870,256,491	7,857,146	51,725,839	575,257	16,659,397	10,823,516	1,419,104,863
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

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. woft	Others.	Total.	China.	Hongkong.	British India.	Philippine Islands.	Korea.	Other countries.	Total.	
1908	1,367,631	224,897	209,475	444,198	878,570	134,267	6,511	41	2,645	21,807	2,573	167,843	
1909	1,569,080	295,802	229,763	499,679	1,025,244	236,102	3,389	15	1,524	14,725	3,123	258,878	
1910	1,741,168	338,175	258,412	538,193	1,134,780	301,535	17,953	701	3,503	19,825	4,118	347,635	
1911	1,784,004	295,065	262,298	571,904	1,129,267	234,324	12,918	1,809	3,076	22,828	10,054	285,009	
1912	1,984,191	346,844	335,821	669,544	1,352,209	304,199	29,091	989	3,625	21,034	15,994	374,933	
1913	2,167,926	396,645	371,522	749,815	1,517,982	389,297	34,031	3,258	3,296	15,237	23,620	468,739	
1914	2,369,801	388,992	439,672	837,517	1,666,181	455,124	66,124	3,144	4,791	19,020	21,787	569,990	
1915	2,463,376	393,027	443,040	884,197	1,720,264	463,921	65,241	1,565	3,629	26,688	14,848	575,892	
1916	2,757,299	409,053	497,291	1,019,235	1,925,579	440,158	50,381	11,744	1,889	26,137	16,839	547,148	
1917	2,850,637	359,623	528,603	1,035,615	1,923,841	356,576	58,405	9,313	3,260	27,597	15,702	470,853	
1918	2,936,495	228,818	511,539	1,063,509	1,803,866	231,689	62,598	79,426	5,685	13,053	29,062	421,513	
1919	3,179,568	204,486	539,748	1,176,548	1,920,782	156,261	35,638	4,753	693	16,047	16,945	230,337	
1920	3,191,753	196,928	191,141	1,128,907	1,816,976	166,711	58,349	47,615	2,548	5,535	24,167	304,925	
1921	3,162,353	215,682	436,629	1,159,039	1,811,350	174,584	50,211	37,164	1,418	..	22,884	292,261	
1922	3,967,265	205,489	746,731	1,276,026	2,228,246	212,862	83,394	68,319	2,896	..	26,591	394,062	
1923	4,079,855	170,357	680,708	1,320,088	2,171,153	121,568	40,108	58,937	2,267	..	28,778	248,325	
1924	4,115,692	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	205,550	
1927	4,831,429	140,924	784,673	1,605,095	2,530,692	28,762	12,887	54,508	1,921	..	19,577	117,654	
		Under 20.	20s.	Medium Counts.	Fine Counts.	Total.							
1928	4,983,089	721,557	736,767	906,924	86,614	2,451,862	22,626	15,921	17,260	1,217	..	14,632	71,656
1929	6,149,365	827,363	878,405	984,992	101,826	2,792,586	17,637	6,988	27,514	1,826	..	13,436	67,401
1930	5,698,030	780,498	808,560	834,426	101,215	2,524,699	13,493	13,272	20,390	1,255	..	10,976	59,386
1931	5,904,342	809,822	803,442	814,398	139,471	2,567,133	3,839	2,349	16,094	1,367	..	7,793	31,442
1932	6,307,884	797,180	896,921	957,915	158,421	2,810,437	9,100	8,103	50,591	962	..	20,049	88,895
1933	6,771,692	877,043	941,139	1,145,009	136,665	3,099,856	428	1,133	18,286	638	(a) 13,260	14,178	47,923
1934	7,502,504	962,110	1,100,937	1,305,406	103,989	3,472,442	324	353	24,318	1,085	(a) 13,803	24,961	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	18,979	26,277	96,582

(a) Manchuria.

TABLE NO. 39.
JAPAN'S CLOTH PRODUCTION:

Year.							Average Working looms.*	Production of cotton piece-goods.*	Yarn consumed.*
								Yards.	lbs.
1907	..	..	..	..	..	..	9,245	{ 135,253,029 Doz. 02,533 }	44,262,958
1908	..	..	..	..	..	..	9,496	147,443,838	47,676,427
1909	..	..	..	..	..	..	11,585	181,976,972	57,388,586
1910	..	..	..	..	..	..	14,911	226,313,958	71,197,654
1911	..	..	..	..	..	..	17,884	289,039,671	82,498,136
1912	..	..	..	..	..	..	20,208	342,584,684	93,562,721
1913	..	..	..	..	..	..	23,299	416,725,357	11,159,616
1914	..	..	..	..	..	..	24,911	454,901,674	126,863,966
1915	..	..	..	..	..	..	27,687	502,076,621	124,632,631
1916	..	..	..	..	..	..	30,110	560,181,108	136,413,408
1917	..	..	..	..	..	..	31,920	594,649,419	142,770,758
1918	..	..	..	..	..	..	36,365	656,935,420	160,301,569
1919	..	..	..	..	..	..	40,969	739,390,012	179,788,560
1920	..	..	..	..	..	..	44,635	762,037,360	189,651,320
1921	..	..	..	..	..	..	44,109	700,697,985	179,427,501
1922	..	..	..	..	..	..	51,033	869,327,652	214,327,505
1923	..	..	..	..	..	..	52,972	1,000,708,890	240,979,975
1924	..	..	..	..	..	..	56,351	1,030,905,658	241,319,095
1925	..	..	..	..	..	..	62,976	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

*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 1865 to 1935, both inclusive.

YEAR.	PIECEGOODS.			YARNS.		
	Bombay.	Calcutta.	Madras.	Bombay.	Calcutta.	Madras.
	Sq. Yards.	Sq. Yards.	Sq. Yards.	Lbs.	Lbs.	Lbs.
1865.....	175,486,677	319,047,954	17,291,203	4,073,811	6,981,809	2,232,948
1866.....	243,476,368	351,572,331	22,081,805	6,877,968	10,795,517	4,629,986
1867.....	316,784,109	528,434,956	23,258,498	6,568,619	13,006,019	4,684,638
1868.....	555,337,050	619,101,683	31,793,397	7,780,033	13,236,453	6,873,398
1869.....	296,158,439	518,741,348	29,683,469	7,981,949	11,858,210	7,773,636
1870.....	272,898,226	687,639,911	45,750,099	9,946,299	16,816,936	6,649,598
1871.....	305,416,233	684,926,367	47,560,133	6,097,531	12,041,848	8,876,841
1872.....	262,849,273	657,123,291	48,177,871	6,163,813	11,490,636	8,616,040
1873.....	349,631,830	664,987,114	57,666,809	8,667,090	11,192,248	8,918,841
1874.....	292,843,697	765,762,164	49,878,834	8,867,978	14,041,520	10,510,639
1875.....	305,917,934	744,439,224	44,683,288	6,863,763	12,945,102	10,104,020
1876.....	356,940,508	733,913,330	54,875,423	8,246,211	12,090,167	9,664,609
1877.....	354,779,192	885,688,850	39,106,318	10,624,710	14,364,841	8,683,595
1878.....	344,068,807	749,233,431	47,038,579	7,754,005	13,967,396	8,373,916
1879.....	343,811,233	788,759,250	61,375,691	7,469,113	10,580,436	9,581,363
1880.....	531,050,559	1,007,531,497	77,010,037	13,024,923	16,446,089	12,108,002
1881.....	544,890,697	947,329,460	82,451,852	12,326,706	13,597,371	11,099,762
1882.....	500,248,293	883,611,784	106,615,818	12,019,123	14,780,667	13,069,871
1883.....	572,738,196	878,949,353	107,868,579	16,220,463	13,478,764	11,033,824
1884.....	568,220,318	908,294,475	120,841,003	14,299,380	15,313,840	13,114,875
1885.....	547,773,459	911,987,148	93,757,204	14,132,372	13,473,067	99,597,197
1886.....	700,061,881	1,159,407,968	143,318,736	17,087,709	14,177,149	13,937,810
1887.....	585,502,258	988,370,500	117,502,619	14,990,151	14,040,137	13,432,638
1888.....	652,344,548	1,045,951,384	138,271,060	16,595,176	14,778,545	14,570,258
1889.....	634,608,171	1,031,000,980	144,140,943	13,011,348	11,836,681	13,393,848
1890.....	665,550,786	1,037,911,379	115,224,797	15,805,515	12,455,601	13,284,690
1891.....	572,065,309	961,686,226	108,083,576	15,526,869	12,484,617	14,666,189
1892.....	548,944,867	1,013,742,658	93,892,712	12,427,053	10,108,327	10,300,439
1893.....	604,439,138	1,009,441,511	106,086,291	10,466,233	13,124,097	11,387,889
1894.....	719,324,449	1,161,138,343	140,749,235	11,723,808	10,529,734	12,547,763
1895.....	484,780,087	925,203,136	99,427,366	10,857,586	10,689,066	10,188,466
1896.....	574,410,316	1,163,967,702	86,265,292	11,649,977	13,403,663	15,402,931
1897.....	472,597,133	932,328,974	121,396,515	11,788,246	13,299,211	13,650,022
1898.....	557,597,951	1,202,254,978	91,950,978	10,238,969	11,412,068	11,673,878
1899.....	611,556,220	1,266,926,546	93,492,746	10,441,484	10,729,842	11,532,812
1900.....	461,938,302	1,086,463,274	120,383,837	5,892,081	9,435,371	9,496,085
1901.....	629,976,200	1,127,753,500	129,392,500	7,911,750	11,050,890	9,564,200
1902.....	475,541,800	1,176,051,500	119,878,000	6,299,820	7,411,640	9,438,560
1903.....	520,373,400	1,119,542,300	129,898,800	5,300,460	6,442,050	6,699,580
1904.....	593,591,100	1,193,265,900	145,618,800	6,221,400	6,613,460	8,056,710
1905.....	637,039,600	1,292,516,900	119,829,700	11,368,420	11,443,550	10,175,810
1906.....	611,705,100	1,189,552,900	142,636,200	10,548,720	10,300,210	10,260,270
1907.....	646,598,400	1,298,662,500	131,107,800	10,419,750	9,921,670	7,601,280
1908.....	470,956,400	1,005,027,600	200,636,400	10,894,540	9,019,320	10,432,380
1909.....	481,389,100	1,180,586,000	108,497,400	16,251,580	8,448,010	6,169,190
1910.....	624,859,600	1,129,898,600	109,976,800	8,410,140	6,384,450	6,891,410
1911.....	622,516,400	1,226,065,400	138,414,300	12,842,440	9,179,460	8,364,340
1912.....	658,026,700	1,451,819,200	173,698,700	13,298,110	11,913,170	10,745,130
1913.....	804,333,100	1,547,872,400	210,797,700	13,628,700	7,519,860	9,497,740
1914.....	617,498,700	1,378,930,300	160,552,000	13,538,110	9,985,330	8,280,700
1915.....	354,966,900	1,052,246,400	106,332,200	15,423,650	8,974,950	10,801,200
1916.....	481,857,500	1,035,437,900	88,153,700	8,931,510	5,922,490	7,583,020
1917.....	851,853,300	898,872,200	78,886,500	5,185,900	5,646,600	6,295,900
1918.....	429,754,300	449,044,800	33,046,000	2,054,500	2,211,400	3,490,800
1919.....	275,575,100	423,299,200	37,684,300	3,217,300	2,401,100	3,201,100
1920.....	569,054,700	656,277,100	69,872,000	10,850,000	5,096,900	6,011,600
1921.....	265,737,000	744,049,100	50,486,100	18,383,900	7,573,200	7,257,800
1922.....	410,565,000	854,974,300	77,837,700	21,204,800	7,284,200	7,471,600
1923.....	476,873,200	797,622,700	89,096,800	9,024,500	5,154,300	5,978,300
1924.....	553,405,800	938,652,800	91,324,300	9,281,600	4,280,600	5,613,500
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.....	268,656,100	131,376,900	66,094,000	2,416,400	3,088,000	4,740,800
1934.....	326,066,000	161,208,000	69,385,000	2,106,300	2,968,600	3,687,300
1935.....	306,275,000	138,843,000	56,439,000	2,569,200	3,744,200	3,896,000

Figures from "Accounts relating to Trade and Navigation of the United Kingdom."

Report for the year 1935.

Section VI.

RULES AND REGULATIONS.

**Rules for the Registration of Trade Marks, Trade Numbers,
Trade Names, Rules for Arbitration on Piecegoods, Standard
Contract Form, Etc., Etc.**

RULES AND REGULATIONS.

*Revised and adopted down to the Special General Meeting held on
13th February 1930.*

1. The Association shall be called the Bombay Millowners' Association. Name.
2. The Office of the Association will be situate in Bombay.
3. The objects of the Association are:— Objects of
the Associa-
tion.
 - (a) To encourage friendly feeling and unanimity amongst Millowners and users of steam, water and/or electric power on all subjects connected with their common good.
 - (b) To secure good relations between members of the Association.
 - (c) To promote and protect the trade, commerce and manufactures of India in general and of the cotton trade in particular.
 - (d) To consider questions connected with the trade, commerce and manufactures of its members.
 - (e) To collect and circulate statistics and to collect, classify and circulate information relating to the trade, commerce and manufactures of its members.
 - (f) To take all steps which may be necessary for promoting, supporting or opposing legislative and other measures affecting the trade, commerce or manufactures of its members.
 - (g) To make representations to Local, Central and Imperial authorities on any matter connected with the trade, commerce and manufactures of its members.
 - (h) To arbitrate in the settlement of disputes arising out of transactions in piece-goods and yarn between parties willing or agreeing to submit to arbitration in accordance with the arbitration rules of the Association.
 - (i) To advance and promote commercial and technical education connected with the trade and commerce of its members.
 - (j) To undertake special inquiries and initiate or support any action for securing the redress of legitimate grievances connected with the trade or commerce of its members.
 - (k) To take any action which may be conducive to the extension of the trade and commerce of its members or incidental to the attainment of this object.
 - (l) To subscribe, to become a member of and co-operate with any other Association whether incorporated or not whose objects are altogether or in part similar to those of this Association and to procure from or communicate to any such Association such information as may be likely to forward the objects of this Association.
 - (m) To establish or aid in the establishment of funds to benefit employees of the Association or the dependents of such persons and to subscribe, donate or guarantee money for charitable or benevolent purposes at the discretion of the Association.
 - (n) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Association directly or indirectly.

Persons eligible for membership.

4. Any individual, firm or Company owning one or more mill or mills or one or more press or presses or one or more ginning or other factory or factories actuated by steam, water, electric and/or other power shall be eligible for membership of the Association.

Definition of the term "member."

5. The expression "Member" in these rules shall ordinarily mean the person, firm or Company, as the case may be, by whom or by which any such mill or mills, press or presses, or factory or factories as last aforesaid is or are actually owned, but shall where the context so requires or permits also mean and include the person or persons for the time being entitled or empowered in accordance with these rules to act and vote on behalf of any member of the Association.

Voting power of members.

6. At any General Meeting of members of the Association every member shall be entitled to one vote for every complete sum of Rs. 50 paid by him as annual subscription under Rule 35 hereof.

7. Each individual, who, as an individual, shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled either to act and vote on his own behalf or to empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign his name per procuracy, to act and vote on his behalf.

8. Every partner in any firm, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of his firm, and the firm may also empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign the name of the firm per procuracy, to act and vote on behalf of the firm.

9. Every Director of a Joint Stock Company, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company, and the Agent, Secretary or Manager, as the case may be, of such Company, and every partner in any firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, and likewise any one or more persons, who shall have been duly authorized by the Agent, Secretary or Manager, as the case may be, of such Company, or by the firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, to sign either the name of such Agent, Secretary or Manager or the name of such firm, per procuracy, shall also, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company.

10. The name of every person entitled or empowered to act and vote on behalf of any member of the Association, whether such person be the member himself or any other person, shall be notified in writing by such member to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, and if more than one person shall be entitled or empowered to act and vote on behalf of any member, such member shall notify in writing to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, the order of precedence in which such persons shall be entitled to act and vote on behalf of such member.

11. When any member shall notify to the Secretary of the Association that any one or more persons, other than the member himself, is entitled or empowered to act and vote on behalf of such member, such member shall, in such notification, state the capacity in which such person or each of such persons is so entitled or empowered to vote, that is to say, either as a member of a firm or as a Director or Agent or Secretary or Manager of a Company or as the holder of a power to sign per procuracy or otherwise as the case may be.

12. If the name of any person shall be notified as a person empowered to act and vote on behalf of a member by virtue of being the holder of a power to sign per procuracy, the notification shall be accompanied by the document authorizing such person to sign per

procuration, in order that the same may be registered by the Secretary, and the Secretary shall, after registering the document, return it to the person who sent it.

13. The Association shall provide a Register, to be called " Register of members and of persons entitled to act and vote for members " (hereinafter in these rules referred to as " the said Register "), and the names of all members of the Association shall be entered in the said Register together with the name of each person entitled or empowered, in accordance with these rules, to act and vote for such members, so soon as the name of such persons and all particulars regarding him and all formalities shall have been duly notified and observed in accordance with these rules, and when the name of more than one person shall have been notified as entitled to act and vote for any one member of the Association, the names of such persons shall be numbered in the order of precedence in which such persons are entitled to act and vote for such member.

14. No person shall be entitled to act or vote on behalf of any member of the Association unless and until his name shall have been entered in the said Register as a person entitled to act and vote for such member.

15. If two or more persons, who shall be entitled to act and vote on behalf of one and the same member of the Association, shall be present at any meeting of the Association, that one, who takes priority in the order of precedence in the said Register, shall alone be entitled to vote at such meeting.

16. If any one person shall, according to these rules, be entitled to act and vote for more than one member of the Association, such person shall be entitled to act and to exercise the right of voting, according to these rules, for each member, on whose behalf he is entitled to act and vote.

17. Members of the Association shall be elected by ballot in the manner hereinafter mentioned. Mode of
electing
members.

18. Every candidate for election as a member of the Association must be proposed by one member of the Association and seconded by another, and a letter of proposal signed by the proposer and seconder must be sent to the Managing Committee of the Association (hereinafter called " the Committee ").

19. After the receipt by them of a proposal duly made and seconded according to these rules of a candidate for election as member of the Association, the Committee shall fix a day for the commencement of the ballot for the election of such candidate.

20. Not less than seven days before the day so fixed as aforesaid for the commencement of the ballot for the election of any candidate, notice in writing shall be given by the Committee to all members of the Association of the name of the candidate and of his proposer and seconder and of the date so fixed as aforesaid for the commencement of the ballot for the election of such candidate.

21. The Committee shall, before the day appointed for the commencement of the ballot for the election of a candidate for membership of the Association, appoint a scrutineer for such election.

22. The Association shall, for the purposes of all elections by ballot, provide a ballot-box with a lock and key and with an aperture sufficiently large to admit of the deposit therein of voting papers.

23. Before the time appointed under these rules for the commencement of the ballot for the election of any candidate for membership of the Association, the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same, and the same shall not be opened until after the expiration of the full time appointed for such ballot.

24. The Committee shall provide voting papers for the election of a member of the Association in such form as they shall, from time to time, think fit and shall send one of such voting papers to each member of the Association, not less than seven days before the day fixed according to these rules for the commencement of the ballot for the election of any candidate for membership of the Association.

25. If any person entitled or empowered to vote concerning the election of a candidate for membership of the Association shall desire to exercise his right of voting he shall fill up a voting paper in accordance with the directions contained therein stating whether he votes for or against the election of such candidate and shall sign the paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

26. Voting papers may be deposited in the ballot-box in accordance with these rules at any time between the hours of 10-30 a.m. and 4 p.m. on the day appointed for the commencement of the ballot or on any one of the six succeeding days, exclusive of Sundays or Gazetted Holidays.

27. The ballot-box shall, at 4 p.m. on the seventh of the days appointed for the election of any candidate for membership, be opened by the Secretary in the presence of the scrutineer, and the votes shall be counted and scrutinized by the scrutineer, and the scrutineer shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

28. No candidate for election as a member shall be deemed to have been elected unless the number of votes recorded is greater than one-fourth of the total number of the votes which would have been recorded if all members had voted. One adverse vote in every six votes recorded shall exclude. The result of every election shall be recorded in the Minutes of the Proceedings of the Committee.

29. If any candidate for election as a member of the Association shall not be elected, his proposer shall be informed of his non-election by the Secretary.

30. Particulars of the voting for the election of any candidate for election as a member of the Association shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to anyone whomsoever.

31. A candidate, who shall have been proposed for election as a member of the Association and shall not have been elected, shall not be again eligible for election as a member of the Association until after the expiration of six months from the date of the election at which he shall not have been elected.

32. If a candidate for election as a member of the Association be elected, his election shall be notified in writing by the Secretary to his proposer and likewise to the candidate himself, and a copy of the last annual report of the Association and also a copy of the Rules of the Association, together with a bill for the entrance fee payable by such member on election and the amount of the annual subscription payable in accordance with these rules shall be sent to him by the Secretary.

Membership subscription. 33. Every member who shall after the date on which these rules shall come into force be elected a member of the Association shall pay on election an entrance fee of Rs. 100.

34. Every member who shall after the date on which these rules shall come into force be elected a member of the Association after the 1st January but before the 1st October in any year shall in addition to the entrance fee pay such proportion of the annual subscription for that year as shall be attributable to the period between the date of election and the 31st December of that year. Every member similarly elected after the 30th September in any year shall pay in addition to the entrance fee one-quarter of the annual subscription for that year.

35. Each member of the Association shall pay the annual subscription to the Association which may from time to time be determined by the Committee. Provided that the resolution of the Committee determining such annual subscription shall be passed by a majority of not less than two-thirds of the members of the Committee present at a special meeting called for the purpose of determining such subscription.

36. Annual subscriptions shall be payable in advance on the 1st January in each year in respect of the period from the 1st January to the 31st December in that year, and a member shall not be entitled to exercise any of the privileges of membership if his subscription is more than two calendar months in arrear.

37. The Committee of the Association shall, in the case of mills which remain entirely closed for one calendar year or more for causes not due to a strike or a lock-out, be empowered to remit the ordinary membership subscription, and to substitute therefor a subscription of Rs. 100 only for each calendar year during which the mills remain entirely closed.

38. A member who shall fail to pay his subscription for a period of three calendar months after it has become payable shall, *ipso facto*, cease to be a member of the Association and his name shall forthwith be removed from the said Register. Provided that the Committee may, for good cause shown for such non-payment of the subscription as to which the decision of the Committee shall be final and binding upon the member in default, and upon payment of the subscription in arrear, revoke the cancellation of membership and order the name of such member to be reinstated in the said Register. Subscriptions in arrear shall be treated as a debt due to and recoverable by the Association.

39. Each member shall, on election to the Association, sign a form of adherence to the rules of the Association in the form from time to time approved by the Committee and until such form shall have been signed a member shall not be entitled to exercise any of the privileges of membership. Form of adherence to be signed by members.

40. Every member of the Association shall have power to terminate his membership thereof by giving not less than three calendar months' previous notice in writing (expiring at any time) to the Secretary of the Association of his desire to terminate such membership and upon the expiration of any such notice such member shall cease to be a member of the Association and his name shall forthwith be removed from the said Register. Mode of terminating 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 papers for

- (a) the election of a Chairman of the Committee,
- (b) the election of a Deputy Chairman of the Committee,
- (c) the election of eighteen ordinary members of the Committee,

in such form as they shall, from time to time, think fit and shall send to each member of the Association not less than seven days before the day fixed for the said elections, one voting paper in respect of the election of the Chairman, one voting paper in respect of the election of the Deputy Chairman and one voting paper in respect of the election of the ordinary members of the Committee.

50. On the day appointed for the said elections voting shall commence at 10-30 a.m. and terminate at 4 p.m.

51. If any person entitled or empowered to vote concerning the election of the members of the Committee shall desire to exercise his right of voting, he shall, in the case of the election of a Chairman, write on a voting paper relative to the election of a Chairman the name of the person representing a member of the Association whom he desires should be appointed such Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of a Deputy Chairman, write on a voting paper relative to the election of a Deputy Chairman the name of the person representing a member of the Association whom he desires should be appointed such Deputy Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of the eighteen ordinary members of the Committee, write on a voting paper relative to the election of the ordinary members of the Committee, the names of the eighteen persons representing members of the Association whom he desires should be appointed as ordinary members of the Committee as aforesaid and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

52. Voting papers regarding the elections of a Chairman, Deputy Chairman and the ordinary members of the Committee may be deposited in the ballot-box in accordance with these rules between the hours of 10-30 a.m. and 4 p.m. on the day which shall have been appointed under these rules for such elections.

53. At 4 p.m. on the day appointed for the said elections the ballot-box shall be opened by the Secretary of the Association in the presence of the scrutineer and the votes shall be counted and scrutinized by the scrutineer, who shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

54. Particulars of the voting for the election of the members of the Committee shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to anyone whomsoever.

55. Those persons in whose favour the largest number of votes shall have been cast for the respective appointments of Chairman, Deputy Chairman and ordinary members of the Committee shall be deemed to have been appointed Chairman, Deputy Chairman and ordinary members of the Committee respectively.

56. Two representatives of any one member entitled under Rule 6 to ten votes or less shall not be on the Committee at the same time, and if two representatives of any one such member shall be elected to serve on the Committee at the same time, the election of that representative who obtains the lesser number of votes shall be void. In case of an equality of votes, the Chairman of the retiring Committee shall have a casting vote.

57. No member of the Association shall vote for more than one Chairman, one Deputy Chairman and eighteen ordinary members of the Committee.

58. If any person who shall have been elected according to these rules either as Chairman of the Committee or as Deputy Chairman of the Committee shall decline to accept the appointment there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be.

59. If any person who shall have been elected in accordance with these rules as an ordinary member of the Committee shall decline to accept the appointment the person who shall have received the next largest number of votes shall be considered to have been elected, and if there shall be no such person then the vacancy shall be filled by the retiring Committee.

60. If in any ballot for a Chairman or Deputy Chairman of the Committee there shall be an equality of votes for the appointment, there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be. If in any ballot for the election of the eighteen ordinary members of the Committee there shall be an equality of votes for the eighteenth appointment, the Chairman of the retiring Committee shall have a casting vote.

61. The new Committee shall take office upon the conclusion of the first Annual General Meeting of the members of the Association held after their election, and shall continue to hold office until the conclusion of the next Annual General Meeting of the members of the Association, when they shall retire but shall be eligible for re-election.

62. If any member of the Committee shall be absent from the regular meetings of the Committee for more than three consecutive months he shall, unless he shall have previously obtained leave of absence from the Committee, be deemed to have vacated his office

63. When any vacancy other than a vacancy in the office of Chairman or Deputy Chairman shall occur in the Committee, the members of the Committee shall have power to appoint any duly qualified person to fill such vacancy who shall hold office until the conclusion of the next Annual General Meeting of the members of the Association when he shall retire but shall be eligible for re-election. Similarly if any member of the Committee shall have previously obtained leave of absence from the General Meetings of the Committee, the members of the Committee shall have power to appoint any duly qualified person to act as a member of the Committee during the absence of such member.

64. If any vacancy other than a temporary vacancy shall occur in the office of Chairman or Deputy Chairman of the Committee, such vacancy shall be filled by the election according to these rules by the members of the Association of any duly qualified person. A temporary vacancy may be filled by the members of the Committee from their own number.

65. The Chairman of the Committee shall, if present, preside at all meetings of the Committee held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and failing both, the chair shall be taken by one of the members of the Committee who shall be appointed by the other members of the Committee present at such meeting. The procedure to be adopted by the Committee in conducting business.

66. In case of a tie in voting in Committee the Chairman for the time being shall have a casting vote in addition to his own vote.

67. Five members of the Committee shall constitute a quorum.

68. The Committee shall meet at least once in every month.

**Powers of
the Com-
mittee.**

69. The Committee shall have power to require from any member an explanation as to any act done or conduct pursued by such member which in the opinion of the Committee shall be in contravention of the rules of the Association or to the detriment or discredit of the Association or shall be injurious to the welfare and interests of the Association. If any such explanation shall be refused or having been given shall be deemed unsatisfactory, the Committee shall cause a Special General Meeting of the Association to be convened to consider the acts and conduct of such member, and the Association shall have power if a quorum be present at such Special General Meeting to resolve by a majority of not less than two-thirds of the votes cast at the meeting to declare that such member is expelled from the Association.

70. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association and shall not be entitled to claim any refund on account of subscription which may have already been paid.

71. Previous to each Annual General Meeting of the members of the Association, the Committee shall prepare a report of the proceedings of the Association during the year prior to such General Meeting and shall cause the same to be printed and shall send at least one printed copy thereof to each member of the Association not less than seven days prior to the date fixed for the said Annual General Meeting. The Committee may also, if they see fit to do so, send any one or more copies of the said report to any individual or Corporation or Association to whom or to which they may think it desirable in the interests of the Association to send the same.

72. The Committee shall have authority to appoint Solicitors to the Association and the Committee may consult them whenever they deem it expedient to do so.

73. The Committee shall have authority at any time and from time to time, if for any reason they shall consider it advisable to do so, to attach to the office of the Chairman of the Committee a remuneration or honorarium of such amount, and to operate from such date and for such period as the Committee may determine, and such remuneration or honorarium shall be met from the revenues of the Association.

74. At the first meeting of the Committee held after the holding of the Annual General Meeting of the members of the Association in each year, the Committee shall appoint three or more of their number to form a Sub-Committee for the purpose of deciding questions other than arbitrations, arising under the rules of the Association relating to the registration of trade marks, and the decision of such Sub-Committee on such questions shall have the same effect as if given by the entire Committee. Any vacancy which may from time to time occur in any such Sub-Committee shall be filled by the Committee by the appointment thereto of another member of the Committee.

75. The Committee may from time to time appoint a Sub-Committee to investigate and to report upon any matter whatsoever and may invite any member of the Association not being a member of the Committee to serve on any such Sub-Committee, or may consult any outside authority if for any special reason such a course may seem to them advisable.

76. Sub-Committees other than a Sub-Committee appointed under Rule 74 shall have no executive or substantive power or authority, and the duty of every Sub-Committee shall be to report to the Committee the result of its investigations, deliberations or other proceedings.

**Duties of
Secretary &
Assistant
Secretary.**

77. A Secretary of the Association shall be appointed and his remuneration shall be fixed by the Committee. The Secretary shall devote himself entirely to the business and affairs of the Association except in cases where he has received the special permission of the Committee. He shall have charge of all correspondence and shall keep an account of the funds of the Association and of funds connected with or in any way controlled by the

Association. He shall have the care of the rooms, furniture, library, pictures and of all documents belonging to the Association. He shall give notice as desired by the Chairman or Deputy Chairman of all meetings of the Association, of the Committee, of the Departmental Committees and Sub-Committees of the Association and of all Associations working in connection with the Association. He shall duly notify members of their election, collect all dues from members of the Association or from any Committee or any Association working in connection with the Association. He shall prepare the Annual Report of the Association and the reports of all Committees and of all Associations connected with the Association under the guidance of the Chairman and the Committee and generally shall perform all such duties as are incidental to his office and generally act under the orders of the Chairman or in his absence of the Deputy Chairman and the Committee. In all matters appertaining to the detailed duties of his office as above enumerated he shall follow the policy and instructions laid down by the Chairman or in the absence of the Chairman by the Deputy Chairman.

78. An Assistant Secretary of the Association may be appointed, and if so appointed, his remuneration shall be fixed by the Committee. The Assistant Secretary shall during any temporary absence of the Secretary owing to sickness or any other cause or during the absence of the Secretary on leave perform all or any of the duties of the Secretary as may be assigned to him.

79. Minutes of all proceedings of the Committee shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time. Minutes Book of the Committee.

80. A general meeting of the members of the Association to be called the Annual General Meeting shall be held in each year at such time as the Committee may appoint. General Meetings of members.

81. The Committee may also at any time call a General Meeting should it seem to them expedient to do so.

82. If any four members of the Association shall by a requisition in writing signed by the said four members respectively addressed to the Committee and containing a statement of their reasons for the requisition request the Committee to call a General Meeting of the members of the Association the Committee shall call such General Meeting to be held within fourteen days after the receipt by the Committee of the said requisition, and if the Committee shall refuse or neglect to call such General Meeting to be held within the time aforesaid, the said four members who shall have signed the said requisition, shall have power themselves to call such General Meeting to be held on such day as they themselves shall appoint.

83. Seven clear days' notice of every Annual General Meeting shall be given by advertisement in at least one English and one Vernacular newspaper published in Bombay and seven clear days' notice shall also be given to members of every Special General Meeting, except Urgent General Meetings specially convened by the Chairman or the Committee.

84. No business shall be transacted at any General Meeting unless a quorum according to these rules shall be present at such meeting.

85. At any General Meeting a quorum shall be constituted if the number of votes of the members represented at the meeting shall exceed 25 per cent. of the total number of votes of all the members for the time being of the Association.

86. If on the day originally appointed for holding a General Meeting a quorum according to these rules shall not, within thirty minutes of the time appointed for the commencement of the meeting, be present, the meeting shall be adjourned to such time on such day not being less than 10 days thereafter as the Committee may determine and if a quorum shall not, within fifteen minutes after the time appointed for the commencement of such adjourned meeting, be present, the members then present shall constitute a quorum and may transact the business for which the meeting was convened.

87. Whenever any meeting shall be adjourned under Rule 86 on the ground that a quorum was not present within the prescribed time, seven clear days' notice shall be given by the Committee by advertisement in at least one English and one Vernacular newspaper published in Bombay of the day and time to which such meeting shall have been adjourned.

88. The Chairman of the Committee shall, if present, preside at all General Meetings of the members of the Association held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and, failing both of these, the chair shall be taken by one of the members of the Committee, who shall be appointed by the other members of the Committee, present at such meeting.

89. The voting at any General Meeting shall be in the first instance, by show of hands, but this shall not preclude any member present from demanding a poll. If a poll is demanded the number of votes to which each member shall be entitled shall be calculated in accordance with Rule 6. The result of a poll shall supersede a vote taken by show of hands. In the case of a tie in voting at any General Meeting the Chairman for the time being of the meeting shall have a casting vote.

90. Minutes of all proceedings at every General Meeting of the members of the Association shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time.

91. Every resolution which shall have been duly passed according to these rules at any General Meeting of the members of the Association shall be binding upon all the members of the Association.

Special General Meeting for concerted general action. 92. All proposals or recommendations for concerted general action respecting the mills which the Committee of the Association may consider to be concerned in respect to a strike, lockout, short-time working or organized lessening of production, payment of bonus, increases or reductions in wages, or any other matter whatsoever, shall only be adopted if passed by a majority of not less than 85 per cent. of the votes cast at a Special General Meeting duly called for the purpose of considering such proposals or recommendations.

Expulsion of members for contravening resolutions adopted at the General Meeting. 93. Any member of the Association who shall contravene the terms of any proposal which has been approved and adopted by the members of the Association under Rule 92 hereof shall be liable to be summarily expelled from the Association by a resolution of the Committee declaring that such member is expelled; provided that such resolution shall be passed by a majority of not less than three-fourths of the members of the Committee present at a Special Meeting called for the purpose of considering such contravention.

94. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association, and shall not be entitled to claim from the Association any refund on account of subscription which may have already been paid.

95. A firm or Joint Stock Company or other Corporation which shall be expelled under the last preceding rule shall be eligible for re-election after the expiry of six months from the date of expulsion provided not less than three members in addition to the proposer and seconder concur in the proposal for re-election.

Funds and properties of the Association. 96. The control of the funds of the Association shall be vested in the Committee, who in addition to the powers expressly conferred on them by these rules may exercise all such powers, and do all such acts and things as may be exercised or done by the Association and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting, and in particular may from time to time at their discretion raise or borrow or secure the repayment of any sum or sums of money in all respects as they think fit.

97. If at any time during the year the funds at the disposal of the Committee are insufficient or are likely to be insufficient to defray the estimated expenditure for the remaining portion of the year, then the Committee shall, in such case, call a General Meeting of the members of the Association and lay the accounts of the Association before such meeting.

98. The Committee shall cause proper books of account to be kept of the transactions of the Association and of the assets, credits and liabilities thereof, which books of account shall be kept at the office of the Association or at such place or places, and in the charge of such person or persons as the Committee may from time to time direct.

99. At least seven days previous to each Annual General Meeting of members of the Association the Committee shall send to each member of the Association a duly audited income and expenditure account, and a balance sheet, containing a summary of the property and liabilities of the Association and made up to the 31st December of the year immediately preceding the meeting, and such account and balance sheet shall be laid before the members at the Annual General Meeting of the Association in each year.

100. The Committee for the time being shall have power to invest and deal with any of the moneys of the Association not immediately required for the purposes thereof in such securities and in such manner as they may think fit and from time to time to vary or realize such investments.

101. The Committee shall have the power to determine the manner in which bills, loans, receipts, acceptances, endorsements, cheques, releases, contracts and documents shall be signed or executed by and on behalf of the Association.

102. There shall be two Trustees of the Association and the first Trustees shall be Mr. H. P. (now Sir Hormasji) Mody and Mr. Ratansi D. Morarji. Subsequent Trustees shall be appointed by resolution of the Committee. Any person for the time being entitled to act and vote for a member shall be eligible as a Trustee. Any Trustee who shall cease to be entitled to act and vote for a member shall *ipso facto* cease to be a Trustee. Any Trustee may be removed by a majority of three-fourths of the members of the Association present at a meeting duly convened for the purpose of considering such removal.

103. All the funds and properties of the Association shall be vested in the Trustees who shall have the custody of all securities and documents of title relating thereto and shall deal with and dispose of the same and the income thereof in accordance with the written directions from time to time given to them by the Committee for the time being.

104. Neither the Chairman, Deputy Chairman, nor any ordinary member of the Committee nor the Secretary nor any Trustee shall be answerable for anything other than his own acts or defaults, nor shall he be answerable for any act done by him for the sake of conformity only, nor for any moneys of the Association other than such as shall come into his own hands, nor for any collector or receiver of moneys appointed by the Committee, nor for any misfortune, loss or damage happening to the Association by reason of any deed done or executed by him as a Chairman, Deputy Chairman or ordinary member of the Committee or as Secretary or Trustee, nor by reason of any error in judgment or mere indiscretion on his part in the performance of his duties, nor otherwise on any account, except for wilful negligence or fraud. Every person being Chairman, Deputy Chairman, or an ordinary member of the Committee or Secretary or Trustee of the Association, his heirs, executors or administrators shall at all times be indemnified and saved harmless out of the funds of the Association from and against all costs, losses, damages and expenses whatsoever incurred or sustained by him in the execution of his power or duties, and every person having been or being a Chairman, Deputy Chairman, or ordinary member of Committee or Secretary or Trustee of the Association, his heirs, executors and administrators shall be indemnified and saved harmless out of the funds of the Association against all actions, suits, claims and demands whatsoever brought or made against him or them in respect of any engagement of the Association save such as may be incurred by his own personal wilful neglect or default.

Responsi-
bility of the
Chairman,
Deputy
Chairman,
Secretary &
members of
the Commit-
tee.

The date when the rules come into force & 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 THE REGISTRATION OF TRADE MARKS.

Revised and adopted down to the Annual General Meeting of the Association held on 3rd March 1927.

1. Throughout all these rules the following words shall bear and include the following meanings :— Interpretation.

- (a) 'The Association' means the Bombay Millowners' Association.
- (b) 'Member' means a member of the Bombay Millowners' Association.
- (c) 'The Secretary' means the Secretary of the Bombay Millowners' Association.
- (d) 'The Managing Committee' means the Managing Committee of the Bombay Millowners' Association.
- (e) 'Trade mark' includes 'ticket' and 'stamp.'
- (f) 'Colourable imitation' includes a trade mark, which is likely to become known by or to acquire the same name as that by which another trade mark is already known or which such other trade mark has already acquired.

2. For the purposes of these rules a registrable trade mark must consist of a distinctive mark, device or design not being a name, signature or word or words (invented or otherwise) either alone or in combination with one or more of the following :— Essentials of a registrable trade mark.

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

Provided—

- (1) that any trade mark registered in the Permanent Register of the Association prior to the 31st March 1924 shall be registrable as a trade mark under this rule ;
- (2) that no trade mark shall be accepted for registration which contains or consists of any scandalous design, or any matter the use of which would by reason of its being calculated to deceive or otherwise be disentitled to protection in a Court of Justice, or would be contrary to law or morality ;
- (3) that no trade mark shall be accepted for registration which contains or consists of a representation of the Royal Arms (or Arms so closely resembling the Royal Arms as to be calculated to deceive), or of a photograph or photographs of any member or members of the Royal Family.

3. All goods to which these rules apply shall be divided into the following classes :— Classification of goods.

Class 1.—Cotton yarns and threads being either grey or bleached.

Class 2.—Cotton yarns and threads being coloured either in whole or in part.

Registers.

4. The Association shall keep two registers, one of which shall be called 'The Permanent Register' and the other 'The Suspense Register.'

Duty of members to register trade marks and mode of applying to register same.

5. Every member shall send to the Secretary an application in writing addressed to the Secretary and signed by the member or by some person duly authorized to sign the same on behalf of the member, to register with the Association every trade mark, not already registered by such member with the Association, which is or is to be the property of such member and which such member desires to apply to any produce of the mill or mills, factory or factories, owned by such member.

6. Every such application shall specify the name by which the trade mark to which the application relates is intended to be known and the class or classes of goods to which the trade mark is intended to be applied and shall be accompanied by one copy of the trade mark for the use of the Association and also by such further number of copies thereof as the Managing Committee may from time to time prescribe in that behalf, regard being had to the total number of members.

7. Every member shall send to the Secretary such number of copies of every trade mark which is the property of a dealer dealing with such member, and which such member intends to apply to any produce of the mill or mills, factory or factories, owned by such member as the Managing Committee may from time to time prescribe in that behalf, regard being had to the total number of members, accompanied by a statement in writing specifying the name by which any such trade mark is intended to be known, and the class or classes of goods to which the trade mark is intended to be applied. The Secretary shall so soon as may be after the receipt thereof send to every member a copy of such trade mark together with a copy of such statement.

Secretary to enter every trade mark which a member shall apply to register in the Suspense Register.

8. The Secretary shall forthwith on receipt of an application for registration of a trade mark with the Association made in conformity with these rules enter the said trade mark in the 'Suspense Register' for use on goods of the class or classes specified in the application.

Notice of every application to register a trade mark to be sent to every member.

9. The Secretary shall so soon as may be after any application shall have been made for the registration of any trade mark with the Association, send to every member a copy of such application with an intimation of the date when it was made and that such trade mark has been entered in the Suspense Register and shall also send with such intimation one copy of such trade mark, and also if the application shall have been accompanied by a notification in conformity with Rule 21 that the member, who shall have made the application, is not willing to refer to arbitration any matter relating to the application, one copy of such notification and shall after the expiration of three weeks from the date of the despatch of such intimation send a reminder to each member who shall not in the interval have acknowledged the receipt of such intimation or otherwise intimated that such intimation has been received by such member.

Effect of entry of trade mark in Suspense Register.

10. The entry of a trade mark in the Suspense Register shall not confer upon the member upon whose application the same shall have been so entered any right against any other member in respect of the trade mark so entered save and except a right to apply for the removal of any other trade mark from the Suspense Register as in Rule 11 hereinafter set forth.

Applications for removal of trade mark from the Suspense Register

11. Any member may apply that any trade mark which has been entered in the Suspense Register may be removed therefrom on the ground that it is an imitation colourable or otherwise of another trade mark which at the time of the entry of the trade mark objected to was then already in the Suspense Register and had been entered therein on application of the member applying for such removal and was intended to be applied to the same class or classes of goods as the class or classes to which the trade mark objected to is intended to be applied.

12. Every application for removal of a trade mark from the Suspense Register shall be made in writing addressed to the Secretary and signed by the applicant or by some person duly authorized to sign on behalf of the applicant and shall set forth the ground on which the same is made.

13. Every application for removal of a trade mark from the Suspense Register shall be determined in the manner hereinafter prescribed ; and if, when the same shall have been so determined, the application shall be upheld, the trade mark for the removal of which the application shall have been made, shall forthwith be removed from the Suspense Register.

14. Any member may object to any trade mark being entered in the Permanent Register on the ground that such trade mark is an imitation colourable or otherwise of a trade mark which has already, on the application of such objecting member, been entered in the Permanent Register for use on goods of a class or classes similar to the class or classes of goods to which the trade mark, in respect of which an application has been made, is intended to be applied, and that such trade mark so already entered, is habitually applied by such objecting member to such class or classes of goods. Objections to entry of a trade mark in the Permanent Register.

15. Every such objection shall be made within one month after the application to register the trade mark objected to shall have been made and shall be in writing addressed to the Secretary and signed by the objecting member or by some person duly authorized to sign on behalf of the objecting member and shall set forth the grounds of objection.

16. Any member may within three calendar months from the date of his becoming a member for the first time apply that any trade mark which shall have been registered in the Permanent Register, at any time before the expiration of the said period of three months, shall be removed therefrom on the ground—

That the trade mark so already registered in the Permanent Register is an imitation colourable or otherwise of a trade mark for the registration of which such member has applied for use on goods of a class or classes similar to the class or classes of goods to which the trade mark so already registered in the Permanent Register is applied, and that such trade mark for the registration of which such newly joined member has so applied as aforesaid has been habitually applied by such newly joined member to the said class or classes of goods.

17. When any member being the owner of a mill shall have ceased to be a member for any reason, other than expulsion, and shall subsequently again become a member by virtue of the ownership of the same mill, or, when any mill, being the property of a member, shall have passed to a new owner and such new owner shall become a member by virtue of the ownership of the said mill, such member, who shall have again become a member, may at any time, within one month from the date of his having so again become a member or such new owner, who shall have become a member, may at any time within one month from the date of his becoming a member apply—

(a) That a trade mark which shall have been entered in the Permanent Register subsequent to the date on which such member shall have ceased as aforesaid to be a member but prior to the date of the application under this rule or subsequent to the date when such mill as aforesaid passed to such new owner as aforesaid but prior to the date of the application under this rule, as the case may be, shall be removed from the Permanent Register ;
or

(b) That if any trade mark shall have been or shall be entered in the Permanent Register in compliance with an application for the registration of the same which has been made subsequent to the date on which such member shall have ceased as aforesaid to be a member but prior to the date of the application under this rule, or subsequent to the date when such mill as aforesaid passed to such new owner as aforesaid but prior to the date of the application under this rule, as the case may be, the said trade mark shall be removed from the Permanent Register, on the ground either in the case (a) or in the case (b)—

That the said trade mark is an imitation colourable or otherwise of a trade mark previously registered with the Association by the member who shall have so ceased to be a member as aforesaid or by the member who was for the time being the owner of the mill which has so passed to a new owner as aforesaid for use on goods of a class or classes similar to the class or classes of goods for use on which the trade mark so objected to shall have been registered and that a fresh application for the registration of the mark so previously registered as aforesaid has been made by the applicant.

18. Every application for removal of a trade mark from the Permanent Register shall be made in writing addressed to the Secretary and signed by the applicant or by some person duly authorized to sign on behalf of the applicant and shall set forth the grounds on which the same is made.

19. Every application under Rules 16 and 17 for removal of a trade mark from the Permanent Register shall be accompanied by twelve or such other number of copies as the Managing Committee may from time to time prescribe of the trade mark said by the applicant to have been previously registered with the Association.

20. If any member, being the owner of a trade mark which shall have been registered in the Permanent Register shall so alter the trade mark as in the opinion of a majority of the Trade Marks Sub-Committee to render it likely to deceive, or materially different, either in name or design, from the registered trade mark, and shall use the mark so altered on goods of a class or classes similar to the class or classes of goods for use on which registration of the original mark was obtained, the member concerned may be required to apply in the manner prescribed for registration of the altered trade mark as a new trade mark and in default of compliance with any such requisition within one month after receipt thereof by the member concerned, the altered trade mark shall be deemed an unregistered trade mark.

Liberty to refuse to refer to arbitration in certain cases:

21. Notwithstanding anything contained in these rules or in the Form of Adherence prescribed under Rule 39 of the Rules and Regulations of the Association any member who shall have become a member for the first time may send a notification in writing addressed to the Secretary with any application, made by such member, to register a trade mark, which shall be sent to the Secretary within one month from the date when such member shall have become a member notifying that he is not willing to refer to arbitration any matter relating to the application with which the notification is sent ; and whenever any such notification is sent as aforesaid no member shall in the matter to which the notification relates be bound by the rules relating to arbitration.

22. In like manner, notwithstanding anything contained in these rules or in the Form of Adherence in Rule 39 mentioned, if any member who shall have received notice of any application to register a trade mark, which shall have been sent to the Secretary, by a member who shall have become a member for the first time, within one month from the date when such member shall have become a member shall object, in the manner prescribed by these rules, to the said trade mark being entered in the Permanent Register on the ground specified in Rule 14, such objecting member may send with such objection, a notification in writing addressed to the Secretary notifying that he is not willing to refer to arbitration any matter relating to such objection to the application of which he shall have so received notice as aforesaid and specifying such application and objection ; and whenever any such notification is sent no member shall in the matter to which such notification relates be bound by the rules relating to arbitration.

Provided always that if a member who shall have become a member for the first time shall prove to the satisfaction of the Managing Committee that for a period of not less than five consecutive years immediately preceding the date when such member shall have become a member he has habitually applied the said trade mark to goods of a class or classes similar to the class or classes of goods to which such objecting member shall have habitually applied the trade mark of which the said trade mark is alleged by such objecting member to be an imitation colourable or otherwise, then such objecting member shall be deemed to have

sent to the Secretary such a notification in writing as above mentioned, and the provisions of Rules 37 to 43 (inclusive) so far as the same are applicable shall forthwith operate and have effect.

23. All questions in dispute between two members arising out of or incidental to any
- (a) application to register a trade mark,
 - (b) application to remove a trade mark from the Suspense Register,
 - (c) application to remove a trade mark from the Permanent Register,

Determination of questions relating to any application to register a trade mark or to any application to remove a trade mark from the Suspense Register or from the Permanent Register, as to which notice of refusal to refer to arbitration has not been given.

shall, if no such notice, as is permitted by these rules, of unwillingness to refer to arbitration shall have been given in connection with the same, be determined by arbitration in the manner prescribed by the following rules :—

24. Either member may give the other member notice of the appointment of an arbitrator on behalf of the member giving such notice and may call upon such other member to appoint and to notify to the member who shall give the notice of the appointment of an arbitrator within seven days from the date of the giving of the notice ; and on receipt of such notice such other member must, if he should desire to appoint an arbitrator, appoint him within seven days from the receipt of such notice and notify such appointment within the same time to the member from whom he shall have received the notice to appoint an arbitrator.

25. If the member to whom such notice as in Rule 24 mentioned shall have been given fail to appoint and to notify to the member who shall have given the notice of the appointment of an arbitrator within seven days from the service of the notice upon him the matter in dispute shall stand referred to the arbitrator already appointed as sole arbitrator.

26. If a matter in dispute shall stand referred to an arbitrator as sole arbitrator he shall make his award within fourteen days from the date when the matter in dispute shall first stand referred to him.

27. If two arbitrators shall be duly appointed in accordance with these rules, they shall within 3 days from the date when such one of them as was last appointed shall have been appointed and before proceeding with the reference appoint an umpire.

28. If two arbitrators and an umpire shall have been duly appointed, the two arbitrators shall, if they can agree upon their award, make their award within fourteen days after the appointment of the umpire.

29. If two arbitrators and an umpire shall have been duly appointed but the two arbitrators shall either fail to agree upon their award or fail to make it within fourteen days from the appointment of the umpire, the matter in dispute shall stand referred to the umpire.

30. When a matter in dispute shall stand referred to an umpire he shall make his award within fourteen days from the date when the matter in dispute shall stand referred to him.

31. If

(a) a matter in dispute shall stand referred to a sole arbitrator but such arbitrator shall fail, from any cause whatever, to make his award within fourteen days from the date when the matter in dispute shall first stand referred to him ;

or

(b) two arbitrators shall have been duly appointed but shall fail, from any cause whatever, to appoint an umpire within three days from the date of the appointment of such one of the arbitrators as shall have been last appointed ;

or

- (c) a matter in dispute shall stand referred to an umpire but such umpire shall fail, from any cause whatever, to make his award within fourteen days from the date when the matter in dispute shall first stand referred to him ;

the matter in dispute shall in any of such cases stand referred to a referee who shall be appointed by the Managing Committee.

32. When a matter in dispute shall stand referred to a referee he shall make his award within fourteen days from the date when the matter in dispute shall first stand referred to him and it shall be deemed to stand referred to him so soon as he shall have been informed of his appointment by the Managing Committee.

33. The sole arbitrator, two arbitrators, umpire or referee, as the case may be, shall, when he or they make an award, reduce it into writing, sign it and forward it to the Managing Committee who shall file it in a separate file, in which such awards shall alone be filed.

Fees on arbitrations.

34. Every award, whether made by a sole arbitrator, two arbitrators, an umpire or a referee, which shall be duly made under the authority of and in conformity with these rules, shall be conclusive and binding upon the parties to the arbitration in which the award was made and the Association shall give effect to it.

(a) No person shall be appointed an arbitrator, umpire or referee, under the foregoing rules, who shall not be either a member of the Association or a person entitled to act and vote on behalf of a member of the Association, and any appointment made in contravention of this rule shall be null and void.

35. The following fees on arbitrations shall be chargeable by the Association to members :—

- (a) In cases where there is a sole arbitrator, Rs. 15, which shall be paid by the member who has failed to appoint an arbitrator within the time prescribed by these rules.
- (b) In cases where each party has appointed one arbitrator, the sum of Rs. 30, whereof each member, a party to the arbitration, shall pay Rs. 15.
- (c) In cases where an umpire is appointed, Rs. 15, whereof each member, a party to the arbitration, shall pay Rs. 7-8-0.
- (d) In cases where a referee is appointed, Rs. 15, whereof each member, a party to the arbitration, shall pay Rs. 7-8-0.

The sole arbitrator, two arbitrators, umpire or referee, as the case may be, shall have power to direct by any award made by him or them under these rules that any fee paid by any member, a party to the arbitration in which such award shall have been made, shall be refunded to him by the other member, a party to the said arbitration.

36. The Association shall, whether the fees payable under these rules in connection with any arbitration shall have been duly paid to it or not, pay to each arbitrator, umpire and referee who shall have acted in such arbitration a fee of Rs. 15.

Procedure when any application made to register a trade mark, or any objection made to register a trade mark as to which notice of refusal to refer to arbitration has been given.

37. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, make

- (a) any application to register a trade mark,
or

(b) any objection to a trade mark being entered in the Permanent Register, accompanied by a notification that the member is not willing to refer to arbitration any matter relating to the application or objection, as the case may be, with which the notifica-

ion is sent, no steps shall be taken by the Association in the matter of the application or objection specified in such notification for a period of two months from the receipt by the secretary of such notification.

38. Any member, who shall have made any such application or objection as in Rule 7 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, may, at any time during the said period of two months in the said Rule 37 mentioned, institute legal proceedings either to establish the right of such member to the trade mark to which such application or objection relates or to restrain any other member from using such trade mark or to procure the punishment of such member for using the same and such proceedings may be taken either in a Civil or a Criminal Court.

39. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, have made any such application as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, and at the expiration of the said period of two months in the said Rule 37 mentioned, no such legal proceedings as in Rule 38 mentioned shall have been instituted in connection with the trade mark to which the application relates, the said application shall be rejected and the said trade mark be removed from the Suspense Register and shall not be entered in the Permanent Register.

40. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, have made any such objection as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, and at the expiration of the said period of two months in the said Rule 37 mentioned, no such legal proceedings as in Rule 38 mentioned shall have been instituted in connection with the trade mark to which the objection relates, the said objection shall be rejected, and the application to register the trade mark, to which such objection relates, shall be dealt with under these rules, as if no such notification had been given.

41. If, within the said period of two months in Rule 37 mentioned, such legal proceedings as in Rule 38 mentioned shall have been instituted, no steps shall be taken in the matter of the application or objection concerning the trade mark to which such legal proceedings relate until such legal proceedings shall have been finally determined.

42. When such legal proceedings as in Rule 38 mentioned shall have been finally determined, if it shall have been held by the Court—

- (a) That a trade mark, to register which an application shall have been made, or in respect of which an objection to the same being entered in the Permanent Register shall have been made, is an imitation colourable or otherwise of another trade mark, the trade mark so held to be an imitation colourable or otherwise shall not be registered ;

or, if it shall have been held by the Court—

- (b) That a trade mark, to register which an application shall have been made, or in respect of which an objection to the same being entered in the Permanent Register shall have been made, is not an imitation colourable or otherwise of another trade mark, the same shall, if it be in the opinion of the Managing Committee a proper mark to be registered as a trade mark, be entered therein.

43. The production to the Managing Committee of a certified copy of a decree passed by a Civil Court of competent jurisdiction in British India from which no appeal lies or in respect of which the time for appealing has expired or the production of a certified copy of a judgment of a Criminal Court from which no appeal lies, or in respect of which the time for appealing has expired, shall be conclusive evidence of everything therein appearing to have been held, decided or found, and the Managing Committee shall act in accordance therewith.

All trade marks registered with the Association on or before the First day of April 1912 to be entered in the Permanent Register.

44. All trade marks which shall have been registered with the Association on or before the First day of April 1912 either under the Rules for Primary Registration or under the Rules for Secondary Registration, which were in force prior and down to the said First day of April 1912, shall be entered in the Permanent Register and shall be deemed respectively to have been entered therein as of the respective dates on which the same were originally registered with the Association.

Effect of entry of trade mark in Permanent Register.

45. Registration of a trade mark in the Permanent Register under these rules for use on goods of the class or classes specified in the entry in such register shall, *prima facie*, be held to secure to the said member an exclusive right as against all other members to the use of the said trade mark on goods of the class or classes so specified.

46. These rules shall come into force on the First day of April 1924 on which date they shall supersede all other rules relating to the Registration of Trade Marks.

RULES FOR THE REGISTRATION OF TRADE NUMBERS.

*Adopted at the Special General Meeting of the Members of the Association
held on 10th October 1932.*

THE object of these Rules is to protect quality numbers used on cloth by member mills and registered with the Association, against all possible imitations and infringements. It has been recognised that this object can only be achieved by exercising systematic control over numbers introduced in future by members. The Rules will provide mills with a ready guide, which they can always consult before introducing a number, as to the minimum difference which has to be maintained between a number already registered and a number proposed for registration. It should be clearly understood, however, that the maintenance of the differences referred to in Rule 16 will not necessarily result in a member obtaining a certificate of registration from the Association. The real test of registrability will be whether a number is likely to become known by or acquire the same name, or be passed off as another number already registered with the Association.

1. These Rules shall be called the "Rules for the Registration of Trade Numbers" and shall come into force on the 1st day of January 1933.

2. Throughout these Rules, the following words shall bear and include the following meanings, namely:— Definitions.

(a) "The Association" means "The Millowners' Association, Bombay."

(b) "Member" means a member of the Millowners' Association, Bombay.

(c) "The Secretary" means "The Secretary of the Millowners' Association, Bombay."

(d) "Number" means and includes:—

(i) ANY COMBINATION OF NUMBERS of not less than two nor more than six digits.

(ii) ANY COMBINATION OF LETTERS of not less than two nor more than six letters.

(iii) ANY COMBINATION OF NUMBERS AND LETTERS of not more than eight digits, a letter representing a digit.

(iv) ANY NUMBER FRACTION of not more than eight digits in the numerator and denominator together.

(v) ANY LETTER FRACTION of not more than eight letters in the numerator and denominator together.

(vi) ANY COMBINED LETTER AND NUMBER FRACTION of not more than eight digits (each letter representing a digit) in the numerator and denominator together.

(vii) ANY COMBINATION OF NUMBERS AND FRACTIONS of not more than six digits, each fraction representing a digit.

(viii) ANY COMBINATION OF NUMBERS, LETTERS AND FRACTIONS of not more than eight digits, each letter and fraction representing a digit.

3. The following combinations shall not be capable of registration, namely:—

Unregistra-
ble Numbers.

(a) A combination of numbers and letters ending with a fraction of more than one digit in the numerator and the denominator;

(b) A combination of numbers and/or letters representing cloth dimensions

(c) A combination of letters making a word.

Portion of Number relating to design, etc.

4. Where a portion of a number submitted for registration relates to the design, colour or border of the cloth on which it is used, or indicates that the cloth on which it is used is dyed, bleached, calendered, etc., that portion of the number shall not be capable of registration, but will be recorded against the number in the Exclusive Register.

Registers.

5. The Association shall keep two Registers, one of which shall be called the "Exclusive Register" and the other the "Suspense Register."

Suspense Register.

6. There shall forthwith be entered in the Suspense Register all numbers which prior to the 1st April 1930, were being used by more than one member on the same class or classes of goods, together with the names of the members by whom and the class or classes of goods on which such numbers were being so used.

Effect of entry in Suspense Register.

7. The entry of a number in the Suspense Register shall not confer upon the members whose names shall be entered therein as the users of such number prior to the 1st April 1930, any right against any other member in respect of the number so entered.

Agreement as to user of numbers in Suspense Register.

8. If and when the members whose names shall be entered in the Suspense Register as the users of a number on the same class or classes of goods prior to the 1st April 1930, shall agree that the number in question shall henceforth be the exclusive property of one of them for use on a particular class of goods, and shall signify such agreement in writing to the Secretary signed by all of them, the Secretary shall forthwith enter the number in the Exclusive Register together with the name of the member entitled under such agreement to the exclusive use of the number on the particular class of goods on which it is to be used.

Exclusive Register (Old Numbers).

9. There shall forthwith be entered in the Exclusive Register every number which, prior to the 1st April 1930, was being used exclusively by a member on a particular class or particular classes of goods together with the name of the member by whom and the class or classes of goods on which such number was being used.

Exclusive Register (Intermediate Numbers).

10. Every number introduced by a member for use on any class of goods after the 1st April 1930, but before the date on which these Rules shall come into force, shall, provided such number differs in any respect from any number already registered in the Suspense Register or the Exclusive Register, forthwith be entered in the Exclusive Register together with the name of the member by whom and the class or classes of goods on which such number is entitled to be exclusively used.

Exclusive Register (New Numbers).

11. Every number which shall, after the date on which these Rules shall come into force, be certified for registration under these Rules shall forthwith be entered in the Exclusive Register together with the name of the member by whom and the class or classes of goods on which such number is entitled to be exclusively used.

Effect of entry in Exclusive Register.

12. Registration of an old or new number in the Exclusive Register under these Rules for use on goods of the class or classes specified in the entry in such register shall *prima facie* be held to secure to the said member an exclusive right as against all other members to the use of the said number on goods of the class or classes so specified.

Use of New Number.

13. A new number shall not be used by any member after the date on which these Rules shall come into force until he shall have obtained from the Secretary a certificate of registration of the number under these Rules.

Form of Application for Registration.

14. An application for the registration of a new number shall be signed by a Director, or the Secretary or other principal officer of the applicant member, and shall be addressed and

sent to the Secretary at the office of the Association for the time being, accompanied by a sample of the cloth upon which the number is intended to be used. The application shall specify:—

- (i) The number to be registered ;
- (ii) The class of cloth on which the number is intended to be used ;
- (iii) The dimensional particulars of the cloth on which the number is intended to be used ; and
- (iv) Whether any, and if so, which portion of the number submitted for registration refers to the design, border or width of the cloth, or indicates that it is bleached, dyed or calendered.

A separate application must be made for each class of goods.

15. Upon receipt of an application for registration of a new number, the Secretary, ^{Search by Secretary.} if satisfied that the number is capable of registration under these Rules, shall cause a search to be made amongst the numbers registered in the Suspense Register and the Exclusive Register for the purpose of ascertaining whether there are on record any numbers for the same goods or description of goods identical with the number applied for or so nearly resembling it as to be calculated to deceive.

16. A number shall be deemed to be so nearly resembling a registered number as to be calculated to deceive if it does not differ from the registered number :— ^{What is calculated to deceive.}

- (i) in the case of a number not exceeding four digits, in at least one corresponding digit ;
- (ii) in the case of a number of five digits, in at least two corresponding digits ;
- (iii) in the case of a number of six digits, in at least three corresponding digits ;
- (iv) in the case of a letter number of two letter digits, in at least one corresponding letter digit ;
- (v) in the case of a letter number of three or four letter digits, in at least two corresponding letter digits ;
- (vi) in the case of a letter number of five or six letter digits, in at least three corresponding letter digits ;
- (vii) in the case of a number consisting of one letter digit and one number digit, in at least one corresponding digit ;
- (viii) in the case of a number consisting of one letter digit and two or three number digits, in at least one corresponding number digit ;
- (ix) in the case of a number consisting of one letter digit and four or more number digits, in at least two corresponding digits ;
- (x) in the case of a number consisting of two or more letter digits and one or more number digits, in at least one corresponding letter digit and one corresponding number digit ;
- (xi) in the case of a number fraction, in which the total number of digits in the numerator and denominator is three or four, in at least one digit from either the numerator or denominator ;

- (xii) in the case of a number fraction in which the total number of digits in the numerator and denominator is five or more, in at least one corresponding digit in the numerator and one corresponding digit in the denominator, or two corresponding digits in either the numerator or the denominator ;

PROVIDED that no fractions of less than three digits in the numerator and denominator together will be accepted for registration.

Sub-rule (xi) applies also to letter fractions and letter and number fractions where the total number of letters is three or four ; and sub-rule (xii) applies where the total number of digits in the numerator and denominator is five or more.

(xiii) in the case of a combination consisting of a number and fraction :—

- (a) where the number portion consists of not more than four digits, in at least one corresponding digit ;
- (b) where the number portion consists of five or more digits, in at least two corresponding digits ;

PROVIDED always that a combination of a number and a fraction shall not be capable of registration if the number portion is already registered.

(xiv) in combinations of letters, numbers and fractions :—

- (a) where the total number of digits, excluding the fractional digit, is not more than three, in one corresponding digit ;
- (b) where the total number of digits excluding the fractional digit is four or more, in at least two corresponding digits ;

PROVIDED that the restrictions mentioned in this rule are not applicable to "BALANCED NUMBERS."

17. *The standards set forth in Rule 16 shall constitute the minimum requirements in each case, and the Trade Marks Sub-Committee or the Arbitrators as the case may be, shall, in the event of an appeal or arbitration, take into consideration such other factors or possibilities directly bearing on the question as may appear to them feasible. They shall in all cases consider whether the number which forms the subject of appeal or arbitration is likely to become known by or acquire the same name, or is likely to be passed off as another number already registered with the Association.*

Temporary
certificate.

18. (a) After such search as aforesaid, the Secretary shall either reject the application, if he shall be satisfied that the number in question is not capable of registration under these Rules, or, if he shall be satisfied that the number in question is capable of registration under these Rules, he shall issue to the applicant a Temporary Certificate intimating that the number has been accepted by the Association as registrable under these Rules.

(b) The Secretary shall publish at the end of every week a list of the numbers in respect of which temporary certificates have been issued since the last publication together with the names of the members to whom such certificates have been issued and the classes of cloth on which it is intended that such numbers shall be used.

Certificate of
registration.

(c) If no objection to the registration of any such number on the ground that apart from these Rules, the number is likely to lead to deception in the market shall be received by the Secretary in writing within ten days after such publication, the Secretary shall forthwith thereafter issue to the applicant in exchange for the Temporary Certificate previously issued to him a certificate of registration which shall be conclusive evidence of the fact that the use of the number in question has been authorised. If any such objection as aforesaid shall be received by the Secretary within the proscribed period, he shall reject the application

19. If as the result of such search or any objection as aforesaid an application is rejected, the Secretary shall send to the applicant a statement in writing of the reasons for such rejection, and if within two weeks from the date of the communication notifying such rejection, the applicant does not give notice of appeal he shall be deemed to have withdrawn his application. Notice of rejection to be given to applicant.

20. (a) An appeal against the rejection of an application by the Secretary of the Association on the ground that the use of the number has been objected to by another member of the Association shall be dealt with by arbitration in accordance with the procedure laid down in the rules for the registration of Trade Marks. Appeal.

(b) An appeal against the rejection of an application by the Secretary of the Association on the ground that the number is likely to be passed off as a number already registered by another member shall lie to the Trade Marks Sub-Committee of the Association.

21. The Committee of the Association shall from time to time prescribe such fees as they consider necessary for temporary certificates and certificates of registration. Fees for Registration.

22. A "Balanced Number" means a number consisting of not less than three nor more than seven identical digits (numbers or letters). A "Balanced Number" shall not be capable of registration under these Rules unless it comprises at least 2 more or 2 less digits than a "Balanced Number" of the same series already registered either in the Suspense Register or the Exclusive Register. Balanced Numbers.

23. It shall be lawful for the Secretary, subject to appeal to the Trade Marks Sub-Committee, to reject an application for registration of a number which would otherwise be capable of registration under these Rules, if, in his opinion, it is likely to lead to deception in the market in regard to a number already registered. Rejection of Number likely to bear same name as a registered number.

24. (a) These Rules shall not apply to numbers introduced by members prior to their becoming members, if they shall become members for the first time after the date on which these Rules shall come into force. Such numbers shall be capable of registration provided they differ from numbers already registered and are submitted for registration within one month after the date on which the member became a member. Numbers excluded from operation of Rules.

(b) Where a number submitted by a member within one month after the date on which he became a member corresponds exactly with a number already registered in the Exclusive Register or the Suspense Register, the fact will be communicated to such member with a request to settle the rights in respect of that number by direct negotiation with the member or members interested in the registered number.

(c) An application for the registration of a number submitted more than one month after the date on which the applicant became a member will be governed by these Rules.

RULES FOR THE REGISTRATION OF TRADE NAMES.

1. These Rules shall be called the " Rules for the Registration of Trade Names " and shall come into force on such day as may be fixed by the Committee of the Association in this behalf.

Definitions.

2. Throughout these Rules, the following words shall bear and include the following meanings, namely :—

- (a) " The Association " means " The Millowners' Association, Bombay."
- (b) " Member " means a member of the Millowners' Association, Bombay.
- (c) " The Secretary " means " The Secretary of the Millowners' Association, Bombay."

Registrable Trade Names.

3. For the purposes of these Rules a registrable trade name shall be :

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

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

Unregistrable Trade Names.

4. Notwithstanding anything contained in the foregoing Rules, the following types of words shall not be registrable :—

- (a) Personal Names.
- (b) Geographical Names.
- (c) Mis-spelt Words.
- (d) Names of Gods and Goddesses.
- (e) Names of mythological persons.
- (f) Word or Words describing scenes from scriptures, or mythology of any religion whatsoever.
- (g) Word or words likely to offend religious susceptibilities.
- (h) Indecent or obscene word or words.
- (i) Trade names known to be current on imported goods.
- (j) Recognized textile terms, for example, African Domestics, Alhambra Quiltings, etc.
- (k) Word or words already registered with the Association as the name of a trade mark.

(l) Monograms.

(m) Names or colourable imitations of names of Indian Mills.

(n) Colourable imitations of letter combinations already registered with the Association as trade numbers.

5. These Rules shall be applicable only to cotton mill members of the Association. Application.

6. On and after the introduction of these Rules, the Association shall keep two Registers, one of which shall be called the "Exclusive Register" and the other the "Suspense Register."

7. There shall forthwith be entered in the Exclusive Register all trade names which comply with the requirements set forth in Rules 3 and 4, and which on the date of the introduction of these Rules are being used exclusively by one member together with the names of the members by whom such trade names are being used.

8. There shall forthwith be entered in the Suspense Register all trade names which comply with the requirements set forth in Rules 3 and 4 together with the names of the members by whom such trade names are used and which on the date of the introduction of these Rules are being used by two or more members.

9. If and when the members whose names shall be entered in the Suspense Register as the users of a trade name prior to the introduction of these Rules, shall agree that the trade name in question shall henceforth be the exclusive property of one of them, and shall signify such agreement in writing to the Secretary signed by all of them, the Secretary shall forthwith enter the trade name in the Exclusive Register together with the name of the member entitled under such agreement to the exclusive use of the trade name. Agreement as to user of names in Suspense Register.

10. A trade name entered in the Exclusive Register shall preclude any member other than the member whose name is set opposite such trade name and a trade name entered in the Suspense Register shall preclude any member other than those whose names are set opposite such trade names from using such trade name. Effect of an entry in the Suspense Register or Exclusive Register.

11. Every trade name which shall after the date of the introduction of these Rules be certified for registration under these Rules, shall forthwith be entered in the Exclusive Register together with the name of the member by whom such trade name is entitled to be exclusively used. Exclusive Register (New Trade Names).

12. A trade name which is registrable under these Rules shall not be used by any member until he shall have obtained from the Secretary a certificate of registration of the trade name as provided in these Rules. Use of a new Trade Name.

13. An application for the registration of a new trade name shall be made in writing and shall be signed by a Director or the Secretary or other principal officer of the applicant member, and shall be sent to the Secretary at the office of the Association for the time being. Form of application for Registration.

The applicant shall write in his application in English characters the trade name for which registration has been applied and shall state whether it falls under Rule 3(a), 3(b) or 3(c).

In case the trade name applied for registration falls under Rule 3(c), the applicant shall clearly state the Indian vernacular or vernaculars from which the word has been taken, the Indian vernacular or vernaculars in which it is to be used and its English meaning.

14. A separate application shall be sent in respect of each trade name.

15. Upon receipt of an application for the registration of a new trade name, the Secretary, if satisfied that the trade name is capable of registration under these rules, shall cause a search to be made amongst the trade names already registered in the Exclusive Register and Suspense Register, for the purpose of ascertaining whether there are on record Search by Secretary.

any trade name or names identical in spelling or pronunciation with the trade name for which registration is applied, or so nearly resembling it as to be calculated to deceive.

Temporary Certificates.

16(a) If the Secretary shall be satisfied that the trade name in question is not capable of registration under these Rules, or if after such search as aforesaid he is satisfied that there is in the Exclusive or the Suspense Register a name identical in spelling or pronunciation with the trade name for which registration is applied or so nearly resembling it as to be calculated to deceive he shall reject the application. Otherwise he shall issue to the applicant member a Temporary Certificate intimating that the trade name has been accepted by the Association as registrable under these Rules.

16(b) The Secretary shall circulate to all members of the Association a description of every trade name for which a Temporary Certificate has been issued together with the name of the member to whom such Certificate has been issued.

Certificate of Registration.

16(c) If no objection by a member to the registration of such trade name is received by the Secretary in writing within 10 days, he shall forthwith thereafter issue to the applicant in exchange for the Temporary Certificate previously issued to him, a Certificate of Registration which shall be conclusive evidence of the fact that the trade name in question has been entered in the Exclusive Register and its use by the member concerned has been authorized.

17. If any objection or objections to the registration of a trade name is/are received by the Secretary within the prescribed period, he shall reject the application for registration.

Notice of Rejection to be given to Applicant.

18. When an application is rejected, whether under Rule 16 or 17, the Secretary shall forthwith send to the applicant a statement in writing of the reasons for such rejection, and in the case of a rejection under Rule 17, the name or names of the member or members objecting, and if within 14 days from the date of the communication notifying such rejection, the applicant does not give notice of appeal, he shall be deemed to have withdrawn his application.

APPEALS.

19(a) An appeal against the rejection of an application by the Secretary of the Association on the ground that the trade name does not comply with the conditions laid down under these rules or so nearly resembling a trade name already registered by another member in the Exclusive or the Suspense Register as to be calculated to deceive shall lie to the Trade Marks Sub-Committee of the Association.

19(b) An appeal against the rejection of an application by the Secretary of the Association on the ground that the registration of such trade name has been objected to by another member of the Association shall be dealt with by arbitration in accordance with the procedure laid down in the Association's Rules for the Registration of Trade Marks.

20. The Committee of the Association shall from time to time prescribe such fees as they consider necessary for Temporary Certificates and Certificates of Registration.

21(a) These Rules shall not apply to names introduced by members prior to their becoming members if they shall become members for the first time after the date on which these Rules shall come into force. Such names shall be capable of registration provided they differ from trade names already registered and are *prima facie* capable of registration under Rules 3 and 4 and are submitted for registration within one month after the date on which the member became a member.

21(b) Where a trade name submitted by a new member within one month after the date on which he became a member corresponds exactly with a trade name already registered in the Exclusive Register or entered in the Suspense Register, the fact will be communicated to the parties concerned with the request that they should settle the rights in respect of such trade name by direct negotiation.

21(c) An application from a new member for the registration of a trade name submitted more than one month after the date on which the applicant became a member will be governed by these Rules.

RULES FOR ARBITRATIONS ON INDIAN PIECEGOODS AND YARN.

PREAMBLE.—Whereas it is desirable that disputes and differences arising out of contracts for the sale and purchase of Indian piecegoods and yarn which it is desired to submit to arbitration in accordance with the Rules of the Millowners' Association, Bombay, shall be speedily and economically decided by competent practical authorities on Indian piecegoods, and with that end in view the following Rules have been framed for the conduct of such arbitrations.

1. In these rules unless the context otherwise requires :—

“The Association” means The Millowners' Association, Bombay.

“The Committee” means the Committee for the time being of the Association.

“Member” means a member of the Association.

“The Secretary” means the Secretary or Acting Secretary for the time being of the Association.

Words importing the singular number only shall include the plural, and the converse shall also apply.

2. These rules shall apply to any dispute or difference arising out of contracts for the sale and purchase of Indian piecegoods and yarn entered into between members and merchants and between the selling agents of members and merchants, which specifically provide for arbitration in accordance with these rules, and also to any dispute or difference arising out of similar contracts entered into between any other parties who shall have applied in writing to the Secretary to have such dispute or difference decided by arbitration in accordance with these rules, and whose application shall have been sanctioned by the Committee.

3. The Committee shall select triennially a panel of Arbitrators consisting of 30 persons, of whom fifteen shall be selected from representatives of members and fifteen shall be selected in consultation with the Bombay Country Fancy and Grey Piecegoods Merchants' Association, from dealers in Indian-made piecegoods. Panel of Arbitrators.

4. The Committee shall also select triennially from the panel of Arbitrators selected in accordance with Rule 3, a panel of ten persons to act as Umpires. Panel of Umpires.

5. If a member of the Arbitration or Umpire panel shall resign or refuse to act or become incapable of acting or shall die, the Committee shall forthwith select in accordance with Rule 3 or Rule 4 as the case may be some other person to fill the vacancy so caused.

6. The Secretary shall keep a record, in the form, from time to time prescribed by the Committee, of all arbitrations conducted by the Association and of the awards made therein, and shall collect all fees in connection therewith and do all such things as are prescribed by or are necessary under these rules.

7. (a) The parties to a dispute may appoint an arbitrator selected from the panel of arbitrators to act as sole arbitrator or Appointment of Arbitrators.

(b) Either party to the dispute may appoint an arbitrator selected as aforesaid to act on his behalf and the Secretary shall immediately upon receipt of notice of such appointment give written notice thereof to the other party and shall call upon the other party to appoint within 10 days of the receipt of such notice an arbitrator selected as aforesaid to act on his behalf, and if such other party shall fail to make such appointment within the prescribed period the dispute shall stand referred to the arbitrator appointed by the first party as sole arbitrator. Reference to sole arbitrator if second arbitrator not appointed within 10 days.

Arbitrators not to be appointed without previous consent.

(c) No person shall be appointed to act as arbitrator under these Rules whose consent to so act shall not previously have been obtained.

Appointment of arbitrators to be made on the form prescribed by the Association.

(d) The appointment of an arbitrator under these rules shall be made on the form prescribed by the Association, which form shall be signed by the person making the appointment, and submitted to the Secretary for necessary action.

(e) All applications for appointment of an arbitrator or arbitrators shall be accompanied by a deposit of Rs. 60, or such other sum as the Committee may direct, as a cover against the expenses of the arbitration.

Where the expenses of an arbitration remain unpaid by the party liable thereto for a period of 10 days after the award is made, the Secretary shall appropriate the deposit or a portion thereof towards the amount recoverable from the party. A refund of the amount of the deposit shall be made to the parties concerned on payment of all expenses of the arbitration in accordance with the terms of the award.

Arbitrators to be disinterested.

8. No party to a dispute shall appoint an arbitrator, and no person shall consent to act as arbitrator, who is or whose employers are interested directly or indirectly, in the subject-matter of the dispute. Any appointment made in contravention of this rule shall be deemed to be invalid and of no effect.

Appointment of Umpire by arbitrators.

9. When two arbitrators are appointed they shall, before proceeding with the reference, select from the panel of Umpires an umpire, who is willing to act, and communicate his name to the Secretary.

10. If the arbitrators are unable to agree as to the umpire they shall proceed with the reference and notify the Secretary of their disagreement, and the Committee shall thereupon select a person from the panel of Umpires to act as umpire. No person shall be appointed to act as umpire either by the arbitrators or the Committee who is or whose employers are interested either directly or indirectly in the subject-matter of the dispute. Any appointment made in contravention of this rule shall be deemed to be invalid and of no effect.

11. The arbitrators shall fix a time and place for the hearing of the reference and notify the Secretary thereof. The date so fixed shall be not later than 10 days after their appointment. The Secretary shall forthwith notify the parties of the time and place appointed.

Submission of statements.

12. Parties to the reference shall attend at the time and place appointed for the hearing of the reference, either in person, or (subject to the provisions of Rule 18) by any person duly authorised by them acquainted with all matters in dispute and they shall if so required by the arbitrators submit written statements of their respective cases to the arbitrators and answer all material questions relating to the dispute.

13. Parties to the reference shall, if required, submit to be examined by the arbitrators on oath or solemn affirmation or otherwise in relation to the matters in dispute.

Samples for inspection.

14. At the time appointed for the reference the parties shall have ready at the rooms of the Association or elsewhere as directed the sale samples duly attested, and if required sample packages or complete bales. Samples, packages or bales so sent will be at the sender's risk and must be accompanied by a peon in charge and by a cooper to open the packages.

15. The parties to the reference and all persons claiming through them respectively shall produce before the arbitrators all books, deeds, papers, accounts, writings and documents within their possession or power which may be required or called for and do all other things which during the proceedings on the reference the arbitrators may require.

16. The arbitrators shall have general authority to require from either or both of the parties to the reference such further statements, explanations, and other information, evidence and materials as they may consider necessary for the adjudication of the dispute

and may, in such a case, by endorsement on the reference paper, extend the time for making an award by a period not exceeding one English calendar month.

17. The arbitrators shall proceed with the reference and make an award *ex-parte* in the absence of any party who shall after due notice refuse or neglect to attend without having satisfied the arbitrators that good and sufficient reason exists for such neglect or refusal.

18. No party to a reference shall, without the express permission of the arbitrators be entitled to appear by counsel, attorney, advocate or pleader, or insist on or require the arbitrators to hear or examine witnesses or receive oral or documentary evidence other than what is deemed necessary by the arbitrators.

19. The arbitrators may, before making a final award, and at the joint expense of the parties to the reference, consult counsel or solicitors to be selected by them on any question of law, evidence, practice or procedure arising in the course of the reference. In such cases the time for making an award may be extended for a period not exceeding 28 days.

20. The arbitrators shall make an award in writing in the form prescribed by the Association or notify their disagreement to the Secretary as early as possible and in any case within 28 days from the date of the first hearing of the reference or within the period of any permitted extension of time.

21. If the arbitrators fail to make an award or to agree upon their award within the prescribed period or any permitted extension thereof or if the arbitrators make an award on part only of the subject-matter of the reference, the Secretary shall forthwith call upon the umpire to enter upon the reference and the umpire shall thereupon proceed with the reference. The arbitrators shall, in such case, furnish the umpire with a brief statement of the facts of the case and their reasons for such failure to make an award or to agree upon their award or for awarding on part only of the subject-matter of the reference as the case may be.

22. The foregoing rules as to the practice and procedure before the arbitrators shall apply *mutatis mutandis* to the proceedings before the umpire.

23. If an arbitrator or umpire duly appointed neglects or refuses to act or is otherwise incapable of acting, or dies, a new arbitrator or umpire shall be appointed in accordance with the foregoing rules.

24. Parties to the reference shall do all acts necessary to enable the arbitrators or umpire to make a just and expeditious award, and shall not wilfully do or omit to do, or cause to be done or be omitted to be done, any act to delay or prevent the arbitrators or umpire in or from making an award. If either party shall be guilty of any such act or omission which delays the proceedings in any manner, the arbitrators or the umpire shall direct him to pay to the other party such costs as they or he may deem reasonable and may proceed with the hearing of the reference.

25. When a dispute stands referred to an umpire, he may proceed to adjudicate in the matter on the basis of the statement furnished to him by the arbitrators as provided by Rule 21 and shall make his award thereon within 14 days of his first entering on the reference or within the period of any permitted extension of time.

26. The arbitrators or umpire shall by their or his award determine exactly what they or he shall think fit to be done by either of the said parties, respecting the matters referred and shall direct to and by whom and in what manner and in what proportion the total costs of the reference and the award, including the fees payable to the arbitrators and umpire and the Association shall be paid.

27. All awards under these Rules shall be made in the forms prescribed therefor bearing stamps of the value laid down under the Indian Stamp Act or any other law for the time being in force and shall be lodged with the Secretary who shall send copies thereof to the parties.

28. Every award made under or in pursuance of these rules shall be final and binding on the parties to the reference and on their respective representatives notwithstanding death or legal disability occurring to any party, before or after the making of the award, and so that death or legal disability shall not operate as a revocation of the award.

29. Whenever an award directs that a certain act or thing shall be done by one party to the reference and such party fails to comply with the award, the party in whose favour the award was made may make an application for a further award determining the amount of damages or compensation payable by reason of such failure, and the Committee on receipt of such application shall proceed to appoint a sole arbitrator or two arbitrators and an umpire who may or may not be the same person or persons who made the first award. The arbitration on the said application shall then proceed in accordance with these rules and the award thereon may be filed separately or together with the original award.

30. Neither party to a dispute which has been submitted to arbitration under these rules shall bring or prosecute any suit or proceeding on any ground whatsoever against the arbitrators or the umpire, or the Secretary.

31. In respect of arbitrations conducted under these rules the following fees shall be paid by the parties to the reference or by those claiming under them, namely :—

- (a) To a sole arbitrator a fee at the rate of Rs. 30 per hour or part thereof, subject to a maximum of Rs. 75.
- (b) To each of two arbitrators a fee at the rate of Rs. 15 per hour or part thereof, subject to a maximum of Rs. 60 for each arbitrator.
- (c) To an umpire a fee at the rate of Rs. 30 per hour or part thereof, subject to a maximum of Rs. 75.
- (d) To the Association in every case a fee of Rs. 10.

32. If the parties to a reference shall take the reference out of the cognizance of the arbitrators or umpire, after the commencement of proceedings and before the publication of the award, they shall nevertheless be liable to pay fees to the arbitrators, umpire and Association at the rates specified in Rule 31 hereof.

33. A bill showing the amount due in respect of fees, stamp duties, etc., to the arbitrators, umpire and Association by each party to the dispute shall accompany any copy of the award sent in accordance with Rule 27, and shall be paid within seven days of the receipt thereof.

34. In addition to the fees mentioned in Rule 31, the parties to the dispute shall pay as and when demanded by the Secretary and as set out in the award, all other fees or charges incurred during the arbitration in accordance with Rule 19.

35. All notices required by these rules to be given shall be given in writing in the form prescribed by the Association and shall be sufficiently given if left at the last known place of abode or business of the party to whom the notice is addressed, or if sent by post prepaid addressed to him by name at such place of abode or business and not returned through the post as undelivered before the completion of the award and shall if sent by post be considered to have been given at the time at which the letter would, in the ordinary course, be delivered.

36. The provisions of the Indian Arbitration Act, 1899, or any modification or amendment thereof, or any other relevant Act for the time being in force, in so far as they are not inconsistent with these rules, shall apply to all arbitrations conducted by the Association.

37. These rules shall come into force on the Eleventh day of October 1932, on which date they shall supersede all previous rules relating to Arbitrations on Piecegoods.

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.	Sahl.	Border.	Headings.	Designs.	Assortment of designs in (each Bale.	Ticket 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 Millowners' Association, Bombay, for the time being in force regulating arbitrations with respect to piecegoods.

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22. Notwithstanding any such reference to arbitration as aforesaid the buyers shall take delivery of the goods the subject of the reference and pay for the same as herein agreed and unless the arbitration award is to the effect that the goods under dispute are "no tender" the buyers shall be bound to accept the said goods on payment by the Company of the allowance (if any) awarded to the buyers. If, however, the arbitration award is to the effect that the goods are "no tender" the buyers shall be entitled to invoice back the said goods with any penalty the arbitrators may award.

23. Nothing appearing in the contract in any vernacular language, save only the name or signature of the buyer or his agent, shall be binding upon the Company.

**RULES FOR THE ELECTION OF REPRESENTATIVES OF THE
ASSOCIATION ON THE BOARD OF THE VICTORIA JUBILEE
TECHNICAL INSTITUTE.**

The Association is entitled to elect two members on the Board of the Victoria Jubilee Technical Institute so long as it continues to contribute not less than Rs. 2,000 per annum for the maintenance of the Institute.

1. Any member of the Association shall be eligible to act as Representative of the Association on the Board of the Victoria Jubilee Technical Institute.

2. The period of office of any elected Representative of the Association on the Board of the said Institute shall be one of three years. At the end of such period he shall retire but may be re-elected.

3. The appointment of the Association's Representatives shall be made at a general meeting of the Association and such Representatives shall *ex officio* be members of the Committee of the Association.

4. In the event of the disqualification of any of the Association's Representatives under Section 9 or 10 of the Rules and Regulations of the said Institute, or in the event of the decease or resignation of such Representative, or in the event of his ceasing for any reason to be a member of the Association, the Committee shall appoint a successor, who shall hold office up to that date at which the Representative whom he succeeds would, under Rule 2, have retired.

5. In the event of the absence of any of the Association's Representatives from three or more consecutive meetings of the Board, or in the event of any of the Association's Representatives applying for leave of absence, the Committee may, if they think fit and with the consent of the Board of the said Institute, appoint a substitute who shall hold office until the Representative whom he replaces resumes attendance or up to that date at which the Representative whom he replaces would, under Rule 2, have retired.

**RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE
BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON THE
BOARD OF TRUSTEES OF THE PORT OF BOMBAY.**

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.

2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.

3. The Committee shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot-box shall be open from 10-30 A.M. till 5 P.M. on that day.

4. Votes may be given either in person or through any one duly authorized by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.

5. The Committee shall appoint two scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.

6. The candidate who has the largest number of votes shall be declared duly elected.

7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.

8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.

9. In the event of a casual vacancy the above course shall be followed in the appointment of a substitute.

10. In the event of the temporary absence of a Representative of the Association on the Board of Trustees, necessitating the appointment of a substitute, such appointment shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

**PROCEDURE IN CONNECTION WITH THE ELECTION OF A
REPRESENTATIVE OF THE ASSOCIATION TO THE BOMBAY
LEGISLATIVE COUNCIL AND THE LEGISLATIVE ASSEMBLY.**

Explanatory Note.

Prior to November 1920, the date of the first elections to the Legislative Council and the Legislative Assembly constituted under the Reforms scheme, the Association's representative to the Bombay Legislative Council had been elected in accordance with the provisions of the Association's Rules for the election of such members. In accordance with the Rules framed under the Government of India Act of 1919, however, the Association became a Commerce and Industry Constituency and was entitled to elect one member to the Legislative Assembly alternately with the Ahmedabad Millowners' Association and one member to the Bombay Legislative Council. Elections to these bodies have to be held in accordance with the special Rules and Regulations drawn up by the Government of India and Local Governments for the purpose. The Rules and Regulations in question, last revised in 1929, have already been published in *Government Gazettes*, but the following summary of the principal provisions so far as they relate to elections in the Millowners' Association Constituency has been prepared for the convenience of members.

Note.—It must be distinctly understood that the following notes are drawn up merely for the convenience of members, and are in no way to be considered as over-riding the Rules and Regulations framed under Section 7 of the Government of India Act of 1919.

Notes as to the procedure to be followed in connection with the elections in the Bombay Millowners' Association Constituency to the Legislative Assembly and the Bombay Legislative Council.

1. Members only of the Millowners' Association, Bombay, as defined in Rule 5 of the Association's Rules and Regulations, and whose names appear in the Electoral Roll for the time being of the Association will be eligible to vote at elections for, and be eligible for nomination as candidates for elections.

The term "member" includes any person entitled to exercise the rights and privileges of membership on behalf of any person, firm, company or other corporation registered as member, provided such person is not disqualified under the provisions of Part II and Part III of the Electoral Rules.

2. The Secretary for the time being of the Association will be the Returning Officer for the Constituency.

Electoral Roll. 3. The Secretary will, immediately before each general election, prepare a fresh Electoral Roll of the Constituency in accordance with the prescribed Rules and Regulations, and shall also take such steps as may be permissible under the prescribed Rules and Regulations if called upon to do so in the case of any bye-elections, for the revision of the Electoral Roll of the Constituency.

4. The Secretary will on or before the date fixed by the Local Government in this behalf publish the Electoral Roll or the list of amendments as the case may be for the first time at the Headquarters of the Association, and at the time of publication will in like manner publish a notice in the form prescribed in Schedule I attached to these notes.

5. The orders made by the Chief Judge of the Small Causes Court on any claim or objection shall be final, and the Electoral Roll shall be amended by the Secretary in accordance therewith, and shall, as so amended, be republished on the date fixed by the Government in this behalf.

5(a) The Electoral Roll shall come into force from the date of such republication.

6. The Electoral Roll as amended and supplemented by the list of additions will be conclusive evidence for the purpose of determining whether any person is an elector in this Constituency.

7. Any person whose name appears on the Electoral Roll of the Association may be nominated as a candidate for election in the manner hereinafter provided.

8. Nominations will be made by means of a nomination paper completed in the form prescribed in the Rules and Regulations. Nomination of Candidates.

9. Each nomination paper will be subscribed by the candidate himself as assenting to the nomination and by two members as proposer and seconder whose names are registered on the Electoral Roll of the Constituency.

10. Each candidate will be nominated by a separate nomination paper or papers.

11. On or before the date appointed by Government for the nomination of candidates, each candidate shall, either in person, or by his proposer and seconder together, between the hours of 11 o'clock in the forenoon and 3 o'clock in the afternoon, deliver to the Secretary of the Association the nomination form completed in the prescribed manner.

12. Every nomination paper delivered under Clause (11) shall be accompanied by a declaration in writing subscribed by the candidate that the candidate has appointed or does thereby appoint as his election agent for the election either himself or some other person who is not disqualified under the Rules for the appointment and who shall be named in the declaration ; and no candidate shall be deemed to be duly nominated unless such declaration is delivered to the Secretary along with the nomination paper. Appointment of Election Agent.

13. The appointment of an election agent, whether the election agent appointed be the candidate himself or not may only be revoked in writing, signed by the candidate and lodged with the Secretary and shall operate from the date on which it is so lodged.

14. No candidate shall be deemed to be duly nominated unless a deposit of Rs. 500 (Rs. 250 in the case of the Bombay Legislative Council) in cash or in Government promissory notes of equal value at the market rate of the day has been made with the Secretary of the Association by the candidate himself or by his election agent when filing a nomination form. Deposit.

15. Any nomination paper which is not received before 3 o'clock in the afternoon on the last day appointed by the Local Government for the nomination of candidates shall be rejected.

16. Any candidate may withdraw his candidature by notice in writing signed by him and delivered to the Secretary of the Association on or before 3 o'clock in the afternoon on the date succeeding that appointed by Government for the scrutiny of nominations. Withdrawal of Candidature.

17. A candidate who has withdrawn his candidature shall not be allowed to cancel the withdrawal or to be re-nominated as a candidate for the same election.

18. The Secretary of the Association shall on receiving a nomination paper inform the person or persons delivering the same of the date, hour and place appointed for the scrutiny of nominations and shall enter in the nomination paper its serial number, and shall sign thereon a certificate stating the date on which and the hour at which the nomination paper was delivered to him ; and shall as soon as may be thereafter cause to be affixed in some conspicuous place in the Headquarters of the Association a notice of the nomination containing descriptions similar to those contained in the nomination paper, both of the candidate and of the persons who have subscribed the nomination paper as proposer and seconder.

19. In the event of the death of a candidate between the date fixed for the presentation of nomination papers and the date fixed for recording votes, the Secretary of the Association shall, upon being satisfied of the fact of the death of the candidate, countermand the poll, and report the fact to Government, and all proceedings with reference to the election shall be commenced anew in all respects as if for a new election : provided that no fresh nomination shall be necessary in the case of a candidate who stood nominated at the time of the countermanding of the poll.

Scrutiny of nominations:

20. On the date appointed by Government for the scrutiny of nominations, the candidates, their election agents, one proposer and one seconder of each candidate, and one other person duly authorized in writing by each candidate but no other person, may attend at such time and place as the Secretary of the Association may appoint and the Secretary of the Association shall give them all reasonable facilities for examining the nomination papers of all candidates which have been delivered within the time and in the manner prescribed in these rules.

Rejection of nomination papers.

21. The Secretary shall examine the nomination papers, and shall decide all objections which may be made to any nomination and may, either on such objection or on his own motion, after such summary enquiry, if any, as he thinks necessary, refuse any nomination on any of the following grounds :

- (a) That the candidate himself is ineligible for election under the prescribed Rules and Regulations, or that a proposer or seconder is disqualified from subscribing a nomination paper under the prescribed Rules and Regulations.
- (b) That there has been a substantial failure to comply with any of the provisions laid down in clauses 11, 12, 14, 15 and 17.
- (c) That the candidate or any proposer or seconder is not identical with the person whose electoral number is given in the nomination paper as the number of such candidate, proposer or seconder as the case may be.
- (d) That the signature of the candidate or of any proposer or seconder is not genuine or has been obtained by fraud.

For the purpose of this rule, the production of any certified copy of an entry made in the Electoral Roll of the Association shall be conclusive evidence of the right of any elector named in that entry to stand for election or to subscribe for a nomination paper as the case may be unless it is proved that the candidate himself or the proposer or seconder is disqualified under the provisions laid down in the prescribed Rules and Regulations.

22. The Secretary shall endorse on each nomination paper his decision accepting or rejecting the same, and if the nomination paper is rejected, shall record in writing a brief statement of his reasons for such rejection.

The scrutiny shall be completed on the day appointed in this behalf by Government and no adjournment of the proceedings shall be allowed.

23. On completion of the scrutiny of nominations, and after expiry of the period within which candidatures may be withdrawn, the Secretary shall prepare a list of valid nominations and cause it to be affixed in the Headquarters of the Association.

24. If only one candidate has been duly nominated, and he does not withdraw his candidature, then he will be declared to be elected.

25. If more than one valid nominations have been received, a ballot shall be taken on such date as may be prescribed by Government in this behalf.

26. The Secretary shall prepare the necessary ballot papers and shall perform the duties of the Collector and of the Presiding Officer in connection with the supervision and maintenance of order at the ballots.

27. Votes will be given by ballot and no votes shall be received by proxy. The voting paper will be in the form set out in Form I(A) in the Regulations.

28. Each member shall be entitled to one vote only.

29. The Secretary shall as soon as may be practicable after the close of the ballot give notice in writing to all candidates and election agents of the date and time appointed by Government for counting of votes.

30. No person shall be allowed to be present at the counting of the votes except the Secretary and such persons as he may appoint to assist him in the counting of votes and such other persons as the candidate, the election agent of each candidate and one representative of each candidate authorized in writing by the candidate. Counting of Votes.

31. The Secretary shall follow the provisions laid down in the Rules and Regulations as regards the counting of votes and other matters and report the results of the election to the Government of Bombay or to the Government of India as the case may be as early as possible.

32. If a candidate is not elected and the number of votes polled by him does not exceed one-eighth of the total number of votes polled, his deposit shall be forfeited to Government. For the purpose of this Rule, the total number of votes polled shall be deemed to be the total number of ballot papers other than the spoilt ballot papers counted.

33. Where any equality of votes is to be found to exist between any candidates, and the addition of one vote will entitle any of the candidates to be declared elected, the determination of the person to whom such one additional vote will be deemed to have been given will be made by lot to be drawn in the presence of the Secretary of the Association and in such manner as he may determine.

34. Within 35 days from the date of publication of the result of election each candidate for election shall lodge with the Secretary of the Association a return of election expenses signed both by the candidate and by his election agent, in the form prescribed in the Rules and Regulations and verified and attested in the prescribed manner. Return of Election Expenses.

35. Every such return shall contain a statement of all payments made by the candidate or by his election agent or by any persons on behalf of the candidate, or in his interests for expenses incurred on account of or in respect of the conduct and management of the election, and a further statement of all unpaid claims in respect of such expenses of which he or his election agent is aware.

SCHEDULE I.

1. The Electoral Roll of the Bombay Millowners' Association Constituency is hereby published in accordance with Regulation 3, Part II.

2. Any person entered on the roll who objects to any entry in the roll or any person claiming to be entered in the roll should lodge his claim or objection in the following manner :—

- (a) Such claim or objection shall be made in writing and shall specify the Constituency in question, the grounds on which the right of any person to be entered in the roll is asserted or denied, the evidence which the claimant or objector intends to lead, the address of the claimant or objector, his number, if any, in the Electoral Roll and the area in the roll for which he is entered and in the case of an objection, the number in the Electoral Roll of the person to whose entry objection is taken and the area in the roll for which he is entered.
- (b) Four copies of the claim or objection shall be delivered or sent by post so as to reach the office of the Judge authorized to receive the claim or objection under the Regulations on or before the third day from the publication of the roll, excluding the day of such publication.
- (c) A claim or objection which is not lodged in the manner herein prescribed or by a person not entitled to lodge the same, shall be rejected.

3. Claims and objections relating to this roll should be sent to the Chief Judge of the Court of Small Causes, Bombay.

**RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE
BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON THE
BOMBAY MUNICIPAL CORPORATION.**

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.
2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.
3. The Committee, in consultation with the Municipal Commissioner, shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot box shall be open from 11 A.M. till 5 P.M. on that day.
4. Votes may be given either in person or through anyone duly authorized by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees Fifty paid by him as annual subscription to the Association.
5. The Committee shall appoint two Scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.
6. The candidate who has the largest number of votes shall be declared duly elected.
7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.
8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.
9. In the event of a casual vacancy, an appointment to fill such vacancy shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

Sections of the City of Bombay Municipal Act, III of 1888, as amended by Act IX of 1928, pertaining to the Election of Councillors by the Bombay Millowners' Association.

(1) The Corporation shall consist of one hundred and eight Councillors, as follows, Section 5-
namely :—

Seventy-six Councillors elected at Ward elections ;

Fourteen Councillors appointed by Government ;

Four Councillors elected as follows :—

- One by the Bombay Chamber of Commerce,
- One by the Indian Merchants' Chamber and Bureau,
- One by the Bombay Millowners' Association,
- One by Fellows ;

Four Councillors elected by delegates,

and ten co-opted Councillors elected by transferable vote by the Councillors elected and appointed under the preceding clauses of this section.

- Section 6. (1) [Repealed by Act XVI of 1895.]
 (2) Councillors selected or appointed to succeed retiring Councillors shall come into office on the day for the retirement of the Councillors whom they are to succeed.
- Section 7. All members of the Corporation constituted as aforesaid shall retire from office at noon on the first day of April, three years after they take office, which day is in this Act referred to as the day for retirement.
- Section 8. Any person who ceases to be a Councillor shall, unless disqualified, be re-eligible.
- Section 15. A person shall not be qualified to be elected to be a Councillor at an election by a Chamber or Association mentioned in sub-section (1) of Section 5 or at a Fellows' election, unless he is at the time of the election a member of that Chamber or Association or a person entitled to exercise the rights and privileges of membership on behalf and in the name of any firm, company or corporation registered as a member of such Chamber or Association or a Fellow, as the case may be, and unless, in the case of a Fellow, he resides in the city.
- Section 22. (1) General Elections of Councillors shall be fixed by the Commissioner, subject to the provisions of Section 23, to take place triennially on such days in the months of January and February as he shall think fit.
 (2) [Repealed by Act XVI of 1895.]
 (3) Elections to fill casual vacancies shall be fixed by the Commissioner to take place on such days as he shall think fit, as soon as conveniently may be after the occurrence of the vacancies.
- Section 23. The dates for all General Elections shall be fixed in the following order, and with the following intervals, namely:—
Firstly.—The Ward elections shall be fixed to take place simultaneously for all the Wards.
Secondly.—The day for the election by the Chamber or Association mentioned in sub-section (1) of Section 5 shall be fixed at an interval not exceeding twenty-one days after the day fixed for the Ward elections.
Thirdly.—The day for the Fellows' election shall be fixed at an interval not exceeding fourteen days after the day fixed for the elections by the Chamber and Association mentioned in sub-section (1) of Section 5.
Fourthly.—The election of co-opted Councillors shall be held on a day fixed by the Commissioner subsequent to the above-mentioned elections and the appointment of Councillors by Government but prior to the day for retirement.
- Section 31. (1) Elections of Councillors by the Chamber and Association mentioned in sub-section (1) of Section 5 shall be made by the members for the time being of the said Chamber or Association subject to the provisions of Section 15, in such manner as shall from time to time be determined at a meeting of the said Chamber or Association convened in accordance with the rules at the time in force in this behalf.
 (2) The Secretary to the said Chamber or Association shall make a return in duplicate to the Commissioner setting forth the name in full of every person so elected.
- Section 32. (1) The result of every election shall be declared by fixing, as soon as may be after the election, in some conspicuous place in the Chief Municipal Office, a notice certifying the names of the persons, if any, elected, and in the case of a contested election the number of votes recorded for each candidate.
 (2) The said notice shall be signed in the case of a Ward election, and in the case of an election by Councillors, by the Commissioner, and in the case of an election by a Chamber or Association mentioned in sub-section (1) of Section 5, by the Secretary of such Chamber or Association, and in the case of a Fellows' election by the Registrar of the University of Bombay.

THE MILLOWNERS' ASSOCIATION, BOMBAY.

LIST SHOWING THE VARIOUS STATISTICAL RETURNS PUBLISHED BY THE ASSOCIATION, THEIR RESPECTIVE SUBSCRIPTIONS, ETC.

	MEMBERS.		NON-MEMBERS.		POSTAGE.	
	Yearly.	Charge per copy.	Yearly.	Charge per copy.	Yearly.	Per copy.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rf. a. p.	Rs. a. p.	Rs. a. p.
Yarn and Piecegoods Trade Statistics of Bombay	1 copy free, additional copies @ Rs. 2-8-0 each..		24 0 0	2 8 0	Free	Free
Yarn and Piecegoods Trade Statistics of British India	Do.		24 0 0	2 8 0	Do.	Do.
Current Quotations of Local-made Piecegoods and Yarns— Issued fortnightly ..	....	....	6 0 0	0 6 0	0 12 0	0 0 6
Rules and Regulations of the Association, etc...	....	0 8 0	....	1 0 0	....	{ 0-2-0 Inland. 0-4-0 Foreign.
Annual Report of the Association.	1 copy free and for additional copies each Rs. 12-8-0.		....	{ 12 8 0 for current issues 15 0 0 for back numbers.	....	{ 1-8-0 Inland. 3-0-0 Foreign.
Mill Statement showing Cotton Spinning and Weaving Mills working and in course of erection in India on 31st August each year issued yearly	2 paper and 1 cloth copies free and for additional copies each— Paper .. 3 0 0 Cloth .. 4 0 0		Paper .. 3 0 0 Cloth .. 4 0 0		Paper .. 0 4 0 Cloth .. 0 8 c	