

# REPORT

OF

## The Millowners' Association, Bombay.

Report for the Year 1944.

*(Established 1st February 1875.)*

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PRESENTED TO THE ANNUAL GENERAL MEETING  
HELD ON WEDNESDAY, 11th APRIL 1945.

*Bombay :*

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1945.

With the Compliments of  
The Secretary,  
THE MILLOWNERS' ASSOCIATION, BOMBAY

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**THE MILLOWNER'S ASSOCIATION, BOMBAY**

**REPORT FOR THE YEAR 1944.**

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ESTABLISHED 1st FEBRUARY 1875.

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SIR GEORGE COTTON, 1893, 1894, 1895, 1896, 1897, 1898, 1899\*, 1900\*.  
JOHN R. GREAVES, 1899\*, 1900\*, 1901, 1902.  
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SIR SASSOON J. DAVID, 1904, 1905.  
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C. B. SAYER, 1921-24.  
T. MALONEY, appointed 1924-41.\*  
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# Millobners' Association, Bombay.

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## *Section I.*

---

PROCEEDINGS OF THE ANNUAL GENERAL MEETING  
HELD ON THE 11th APRIL 1945.

# 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 (2nd Floor, Patel House, Churchgate Street, Fort) at 11-30 a.m. (S.T.) on Wednesday, the 11th April 1945, to transact the following business :—

- (1) To receive and adopt the Committee's Report for the year 1944 ;
- (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 VITHAL CHANDAVARKAR, M.L.A., Chairman of the Association, presided.

The following gentlemen were also present :—

Mr. M. K. Vellodi, C.I.E., I.C.S. (Textile Commissioner) ; Mr. D. M. Passmore, C.I.E. (Additional Textile Commissioner) ; Mr. U. M. Mirchandani, I.C.S. (Municipal Commissioner) ; Mr. S. V. Joshi (Commissioner of Labour) ; Mr. S. N. Mehta, I.C.S. (Deputy Chief Controller of Imports) ; Mr. H. E. Butler, C.I.E., O.B.E. (Commissioner of Police) ; Mr. M. P. Kanga, M.Sc. (Director of Industries) ; Mr. D. R. Pradhan, I.C.S. (Chairman, National Service Labour Tribunal) ; Dr. Sen (Officiating Director, Technological Laboratory) ; Mr. M. A. Master (President, Indian Merchants' Chamber) ; Mr. C. P. Bramble (President, Bombay Chamber of Commerce) ; Mr. W. H. Phillips (Chief Inspector of Factories) ; Mr. J. C. Lancashire representing the Gokak Mills Ltd. and the Simplex Mills Co., Ltd. ; Sir Sorab Saklatvala, M.L.A., Mr. T. V. Baddeley and Mr. S. H. Batlivala representing the Ahmedabad Advance Mills Ltd., the Central India Spinning, Weaving and Manufacturing Co., Ltd., the Svadeshi Mills Co., Ltd., and the Tata Mills Ltd. ; Mr. A. Geddis representing the Finlay Mills Ltd., the Gold Mohur Mills Ltd., the Shri Shahu Chhatrapati Spinning and Weaving Mills and the Swan Mills Ltd. ; Mr. R. C. Lowndes and Mr. H. F. Milne representing the Kohinoor Mills Co., Ltd. ; Mr. Dharamsey Mulraj Khatau and Mr. Laldas Tribhowandas representing the Khatau Makanji Spinning and Weaving Co., Ltd. ; Mr. A. Pether representing the Sassoon Spinning and Weaving Co., Ltd., the New Union Mills Ltd., and the Sassoon and Alliance Silk Mills Co., Ltd. ; Mr. Krishnaraj M. D. Thackersey representing the Hindoostan Spinning and Weaving Mills Co., Ltd., the Indian Manufacturing Co., Ltd., the Crown Spinning and Manufacturing Co., Ltd., and the Western India Spinning and Manufacturing Co., Ltd. ; Mr. G. D. Somani and Mr. B. D. Somani representing the Shree Niwas Cotton Mills Ltd., and the Shree Vijaylaxmi Cotton Mills Ltd. ; Mr. L. F. H. Goodwin representing the Lakshmi Cotton Manufacturing Co., Ltd., the New Pralhad Mills Ltd., and the Vishnu Cotton Mill Ltd. ; Sir Joseph Kay and Mr. H. G. H. Everitt representing the Colaba Land and Mill Co., Ltd., the New City of Bombay Manufacturing Co., Ltd., and the New Great Eastern Spinning and Weaving Co., Ltd. ; Mr. Ramniwas Ramnarain representing the Bradbury Mills Ltd., and the Phoenix Mills Ltd. ; Mr. Ramnath A. Podar and Mr. Bhagwati Prasad Khetan representing the Podar Mills Ltd. ; Mr. Bhagwandas C. Mehta representing the Century Spinning and Manufacturing Co., Ltd. ; Mr. W. B. Bryden representing the David Mills Co., Ltd., the Edward Textiles Ltd., the Loyal Mills Ltd., and the Meyer Mills Ltd. ; Mr. G. T. Sanghani representing the Seksaria Cotton Mills Ltd. ; Mr. Motilal Tapuriah and Mr. Debiprasad Goenka representing the Kamala Mills Ltd. ; Mr. Pratap Bhogilal representing the Shree Ram Mills Ltd. ; Mr. G. N. Vaidya representing the Ruby Mills Ltd. ; Mr. D. P. Sharma representing the Rai Saheb Rekchand Mohota Spinning and Weaving Mills ; Mr. Arvind Navinchandra Mafatlal representing the New China Mills Ltd., the Indian Bleaching, Dyeing and Printing Works Ltd., the Standard Mills Co., Ltd., and the Surat Cotton Spinning and Weaving Mills Ltd. ; Mr. V. H. Mehta representing the Gendalal Mills Ltd. ; Mr. B. P. Daga representing the Moon Mills Ltd. ; Mr. K. D. Kapadia representing the Bharat Spinning and Weaving Co., Ltd. ; Mr. V. R. Barve representing the Pratap Spinning, Weaving and Manufacturing Co., Ltd. ; Mr. Abdul Majid H. Mohammed representing the Ahmed Woollen Mills ; Mr. Durga Das representing the Usha Woollen Mills ; Mr. N. S. V. Aiyer (Secretary) ; Mr. C. B. Kumar (Assistant Secretary), and Mr. R. G. Gokhale (Labour Officer).

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

GENTLEMEN,

I am sure, you will all agree that, as far as the war situation is concerned, we are meeting in a very happy circumstance indeed. We can now look, with confidence, for the early termination of the war with complete victory for the Allied Nations. I do not think it will be out of place for me to place on record our appreciation of the magnificent way in which our own troops have fought in the war, and I do hope that the contribution they have made to the victory will be remembered by the Allied Nations, especially Great Britain, when the time for making of the peace comes. But, in the meantime, I would like to repeat a suggestion which I made in my recent speech on the Finance Bill, namely, the urgent necessity for His Excellency the Viceroy following the example of Mr. Churchill by appointing

a special representative to go round the various training centres in this country as well as the various war theatres to see that the Indian soldiers are getting the full benefits of the amenities provided for them by the Red Cross. We are entitled to make this suggestion because our industry has always in the past contributed very handsomely to the Red Cross Fund in this Province to the appeals made from time to time by the Head of the Province. Now, gentlemen, I shall touch on some of the important events of the year.

The cotton textile industry in India had another year of prosperity, but the trading results of 1944 were on the average, on account of the price reductions brought about by the Textile Control Board and other factors, about 25 to 35 per cent. lower than those of the preceding year, and in certain cases, profits had dropped off even to a greater extent. Production, however, was maintained at the peak figure of 4,800 million yards of cloth and 1,600 million lbs. of yarn. Here, I must digress for a moment and deal at length with a subject which has been discussed almost threadbare in every section of the Press. I refer to the cloth famine which has been reported in various parts of India. In the year 1943-44, the quantity of cloth available for civilian consumption in the country including the production of the handlooms was about 6½ per cent. less than the quantity available in the five years preceding the commencement of the war. In the year 1944-45, the quantity available for civilian consumption is estimated at 11½ per cent. less than the pre-war average. Expressed in terms of an average consumption per head, the drop in supply may work out at a slightly higher figure than I have indicated, on account of the increase in population which may have taken place since the commencement of the war, but even so, the extent of the reduction should not warrant a famine in cloth, of the size and nature we read in the papers these days. If the facts stated in the Press are correct, then the responsibility for the state of affairs must rest on the authority in charge of transport from the producing to consuming centres and on the provincial authorities who are charged with the responsibility for ensuring that the civilian consumer gets his cloth at the retail prices stamped on the piece. The results of the recent police raids organised in Calcutta indicate that, in Bengal at any rate, the fault did not lie with the supplying centres, but with the provincial authorities whose business it was to prevent cloth being hoarded up. Bengal has been singularly unfortunate in her experiences with grain and cloth, and if the Government of India really desire to avoid similar situations in other Provinces, they should, without any delay, accept the recommendations made by the Textile Control Board from time to time, and the Cloth and Yarn Controlling Authorities all over India should be brought under the control of and made directly subordinate to, the Textile Commissioner appointed by the Government of India. Unless this is done, I am afraid that there will be no improvement in the situation which now exists in individual Provinces in the country.

It has been repeatedly emphasised in the Press that the production in the Indian cotton textile industry can be stepped up to 6,000 million yards per annum. I admit there is room for improvement, but not to the extent indicated, and those who bank upon the peak production of 6,000 million yards are placing their hopes on two factors over which neither the Government nor the industry have any control. The first is the availability of raw materials and coal, and in this connection, as you are aware, a large number of units had to be closed down, for varying periods in the year under review due to shortage of coal. In this connection, it will be interesting to note that, in Ahmedabad alone, shortage of coal was responsible for the loss of production aggregating to 48 million yards in the first three months of 1945. The next factor over which we have no control is the workers' tendency to take occasional holidays under the guise of *hartals*, and in this connection you will all remember that it was only a week ago that a serious dislocation was caused in Bombay, by a large body of workers absenting themselves for about three days, resulting in loss of production estimated at 20 million yards. Before suggesting ways and means of increasing production, I do not think that there is a single millowner who is not anxious to take advantage of the present times by increasing his production to the utmost capacity, and who is not prepared to take full advantage of any facilities made available to him for increasing his productive capacity. But there are, as stated above, very real physical difficulties and disabilities which prevent mills from taking any steps to increase their productive capacity. The Textile Control Board and the Industries and Civil Supplies Department, I know, are now engaged on devising measures for increasing the production of cloth and yarn in the country, but I would like to emphasise one fact, namely, that, unless Government are in a position to make freer supplies of raw materials and coal to the industry and exercise complete control over the Provincial authorities in the matter of distribution of cloth made available to them, any scheme prepared by the Textile Directorate will remain a scheme on paper only. Of course, in making these observations, I am not ignoring another difficulty which exists all over India, namely, the scarcity of trained labour even for day shifts, let alone the question of night shifts. There is another factor to which I shall have to draw the attention of the public, namely, that, even in a city like Bombay where hydro-electric power is available, mills are called upon to save power for essential war industries, and all sorts of schemes for staggering of working hours and working days are under the consideration of the authorities.

Our friends, the critics, have repeatedly urged that the responsibility for the cloth shortage rests on the heads of the millowners who, they point out, have deliberately denuded the country of all available supplies of cloth by exporting them out of the country at exorbitant prices. Let me tell you once for all that, in the matter of exports, we are not our own masters. Exports of cloth have become a matter of diplomatic and strategic necessity forced on the country, but, so far as our industry is concerned, we recognise that the people of India have the first claim on the manufactures of the Indian cotton textile industry, and if we had our own way, we would have permitted exports only to those countries which are likely to retain their custom with us after the war, to those who would not discriminate against India and Indian nationals in any manner whatsoever in the post-war period, to those who would reciprocate by supplying raw materials, foodgrains, etc., to India on terms not less favourable than those accorded to any other country, and would further control effectively the prices of cotton manufactures within their own territorial limits.

## LABOUR.

In the year under review, there were 25 strikes in Bombay cotton mills, all of them in contravention of the provisions of the Bombay Industrial Disputes Act, resulting in a loss of 313,211 man-days as against 285,748 in the preceding year. In addition, 210,000 man-days were lost through *hartals* as against 380,000 in the previous year. Similar figures are not available for the whole of India, but in the six months ending June 1944, the cotton textile industry lost 1,686,604 man-days as against 1,178,446 in the same period in 1943. There is, however, no record of days lost on account of *hartals*, lack of fuel or other raw materials, etc.

It has been stated in a section of the Press which specialises in distortion of facts, that war has resulted in a substantial drop in piece-work earnings in our cotton mills. War conditions, far from resulting in a drop in earnings, have actually led to an increase in piece-work earnings, and the basic piece-work earnings in the year under review were the highest on record since 1934.

The increased time and attention which the Association and member mills in Bombay have recently been bestowing on labour and labour matters appear to have borne fruit, and the total number of complaints and grievances recorded at the office of the Government Labour Officer by the workers of member mills in Bombay in the year 1944 was the lowest on record even from the inception of the Bombay Trade Disputes Conciliation Act. Several complaints during 1944 were, however, of such a trivial nature which would have been set right by the mill managers if the workers had approached them in the first instance.

## TEXTILE CONTROL BOARD.

I shall now make a passing reference to the Textile Control Board, and will take this opportunity of placing on record our appreciation of the very valuable and hard work put in by the Chairman of the Textile Control Board, Mr. Krishnaraj M. D. Thackersey, who is also a member of the Committee. It is possible that some of us have not seen eye to eye in all that he has done, but that should not prevent us from acknowledging with gratitude the great work he has done as the Chairman of the Textile Control Board. I feel, however, that I must draw the attention of the industry to the tendency on the part of the Central Government, especially the Industries and Civil Supplies Department, to regard the Textile Control Board as the sole authority to be consulted on all matters affecting the industry. I can understand the Board being consulted by Government in matters connected with the Control Order, but I cannot, for a moment, subscribe to the view that in all other matters, Government—nor for the matter of that anybody else—would be justified in by-passing existing industrial organisations, and taking only the opinions of the Textile Control Board as representing the view of the industry. I honestly feel, though I am a member of the Textile Control Board, that Government's responsibility for consulting industrial organisations, wherever they exist, still remains in all matters which are not covered by the Control Order, and I have no doubt that no member of the Millowners' Association, Bombay, would have agreed to co-operate with Government in working the Control Orders if it had been made clear to him at that time, that, by so doing, he was virtually voting for the supersession of the parent Associations by the Control Board in all matters.

There is every sign of the war coming to a very early end. Controls are, however, likely to continue till normality is restored, but the question of revising them in the light of altered conditions which are likely to obtain after the war must be given early consideration by Government in consultation with trade and industry, and I hope that this aspect of the question will not be forgotten by the powers-that-be, as soon as the hostilities come to an end.

A lot of ink has already been spilt on the question of capital goods for post-war industrial rehabilitation and expansion. We have been asked to place our orders, and register them with Government, but we are still to be told as to what our chances are of securing the machinery we have already ordered out! It would have been of very great assistance if the Government of India had—if they have not already done so—opened negotiations with the United States of America and the United Kingdom Governments with a view to ascertain the extent to which, and the terms and conditions on which, capital goods would be made available to India in the post-war period, and announce the results; but our Government seem to be getting nowhere in this regard. I do not see the necessity for secrecy in this matter. The war is beginning to end, and it is of utmost importance that Government take us into their confidence so that we may adjust our position accordingly. While I have great regard for the individual efficiency of highly placed officers of Government, they cannot be expected to know all about our intricate mill machinery, and it might help to prevent a good deal of dissatisfaction later if those concerned would care to associate with them a Committee of Industrialists and take their advice before fixing up any arrangement with the United Kingdom or the United States of America.

In my last year's speech, I raised the question of His Excellency the Viceroy appointing an Executive Councillor without portfolio who would function as the Chief of the Viceroy's Cabinet and would further control and co-ordinate the working of the different departments in matters directly or indirectly connected with the prosecution of the war. While the necessity for such an officer is still as great as ever, I would suggest that the scope of the present Labour Department should be considerably widened. In the United Kingdom, the Ministry of Labour looks after all wage-earners in the British Isles, whereas our Labour Department has no jurisdiction over labour employed in agriculture and plantations. More people are employed in agricultural operations in normal times than in industry, and the Labour Department would not be serving the real interests of labour if its functions were, as they are at present, to be limited only to industrial labour. Schemes of social security will loom large in the horizon in the immediate post-war period, and I do not see any justification for confining the scope of such legislation to labour employed in factories only. Agricultural labour is as much an asset to this country as labour in factories, and I would strongly recommend that Government and the Legislature should bestow upon that labour as much paternal care and attention as they do on factory labour.

## DOMESTIC AFFAIRS.

I have now finished. It only remains for me to express my grateful thanks to the Committee, and particularly to the Deputy Chairman, for the very valuable and loyal support which I have received from them in the year under review. Sir Frederick Stones, who had been a member of the Committee for the last 23 years, and the Deputy Chairman of the Association in the year 1927, resigned on grounds of ill-health, and his place on the Committee was taken by Mr. W. B. Bryden. It is impossible for me to adequately thank Sir Frederick for the extremely valuable work which he has put in during his long association with the Committee, and in this connection, special reference might be made to the very admirable manner in which Sir Frederick Stones and Sir Sorab Saklatvala conducted the Association's case before the Fawcett Enquiry Committee in the year 1928-29. In all matters, Sir Frederick's practical knowledge of the inner working of the mills has been of invaluable assistance to the Committee and the industry, and though he ceased to be a member of the Committee, Sir Frederick has not ceased taking active interest in the affairs of the Association. I must also thank the members of the various sub-committees which worked in the year under review on problems which required special study and attention. In all cases, these gentlemen promptly responded to the calls made by the Association on their time and energy, and without their willing co-operation, things would not perhaps have been as easy as they have been. Last but not the least, I must express my appreciation of the work of the Secretary, Mr. Aiyer, the Assistant Secretary, Mr. Kumar, the Labour Officer, Mr. Gokhale, and the staff. The reserve fund of the Association which stood at Rs. 3,61,000 on 31st December 1943, now stands at Rs. 4,33,000 which, you will agree, is satisfactory.

Before proposing this resolution, I must thank you once again for re-electing me to the Chair for the year 1945. This is the sixth time during the course of the last nine years that you have been good enough to ask me to take the Chair. It is very difficult for me to express, in adequate terms, my gratitude to you all for the signal honour you have done me. My task in carrying on the affairs of the Association has been simplified by the willing co-operation which it has been my privilege to receive from all concerned. The work of the Association has not only increased but has also become more of a specialised nature demanding time and attention which the Committee, overburdened as they are with details, would not be able to bestow, and it may be necessary for us to call to our assistance individual members of the Association outside the Committee possessing expert and technical knowledge on such matters so that they may receive the attention and consideration which they deserve.

I now move :—

"That the Report of the Committee of the Association for the year 1944 be and is hereby approved and adopted."

MR. J. C. LANCASHIRE, Deputy Chairman, in seconding the adoption of the Report and the Accounts for the year 1944, said :—

GENTLEMEN,

I have little to add to the very able and instructive review given to you by our Chairman, but I would like to touch briefly on one or two matters which have not been covered.

Our Chairman has referred to the prospects of increased production by the industry. In this connection, I would like to point out that, towards the end of December, the Government of India issued a notification which limited mill output of cloth to the production ruling as at the end of September 1944. Your Committee protested energetically against this notification pointing out that it appeared to be inconsistent with the various appeals for increased output which had been made by responsible officers of Government from time to time. The matter was, I understand, later discussed in the Industry's Committee of the Textile Control Board and, as a result, the original notification was superseded by a new one in March, without, however, materially affecting the consequences. The Hon'ble the Commerce Member is reported to have stated in the Legislative Assembly recently, that Government was concerned more with the total output of textiles rather than with the manner of its production. If this is so, I cannot quite reconcile that statement with the recent notification. The Textile Control Board was set up to assist in increasing the production and distribution of cloth and yarn at controlled prices, but by this notification Government would seem to be placing a premium on the manufacture of cloth which would not be subject to any price control.

It is very probable that, in the immediate post-war period, several questions relating to handlooms and mills will come up for discussion with Government, and unless they are given the dispassionate and unbiased consideration they deserve, more harm than good may be done, and lasting injury inflicted on both interests. Your Association has already indicated its willingness to examine the question of mill production and handloom production with an open mind, but action on the lines set forth in the recent Government notification is likely to retard rather than promote fair consideration being given to the issues which may arise.

I would like also to refer to the general question of supply of yarn to the handloom industry. We have been told on several occasions in recent months that the handloom industry has not been securing its requirements of yarn and that this state of affairs is mostly due to the fact that the Indian cotton mill industry is not supplying its normal quota to the trade. This statement cannot stand scrutiny since we are to-day supplying considerably more yarn to the handloom industry than at any time before the war. It may perhaps be that handlooms in particular centres have not been getting yarn in quantities and in counts which they now require. If this is so, then it is a matter over which the mill industry has no control, and the remedy for this state of affairs would appear to be more effective transport and more equitable distribution arrangements particularly the latter, and above all, in the handloom industry



adjusting itself to the abnormal conditions existing and brought about by the war. You will recollect that, in my speech at the last Annual General Meeting, I suggested that no control measures can assist the consumer adequately unless cloth and yarn produced in our mills are moved easily and as speedily as possible from the point of production to the point of consumption. The lack of regular carrying facilities leading to long delay in despatch of goods still produces short supply conditions in distributing centres which assist greatly in the exploitation of the consumer. There has recently been some improvement in transport facilities, I am glad to say, but great delay is still being experienced by producers in getting their goods away, whilst distribution arrangements in the Provinces and States leaves very much to be desired.

During the year under review, your Association has had under consideration Professor Adarkar's Report on Health Insurance for Industrial Workers, and subject to certain changes and essential safeguards, has generally approved of its provisions. I understand, however, that Government has recently secured the services of two experts in health insurance matters from the International Labour Office who, I believe, have put forward an amended scheme. Your Committee have not had an opportunity yet of considering these new proposals. It is, however, rather refreshing to see this policy of careful investigation by Government, and it is certainly to be commended, since any resultant scheme decided upon eventually, will involve large expenditure of money by all parties concerned, including Government. It is also somewhat different from the cavalier methods usually adopted by Government in connection with schemes in which they bear no financial responsibility.

I thank you, gentlemen, for your confidence in electing me as the Deputy Chairman of the Association for the coming year and I hope, with the assistance and co-operation I have so readily received in the past, to continue to serve the best interests of the Association.

I have very great pleasure in seconding the adoption of the Report as moved by our Chairman.

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

On the motion of SIR SORAB SAKLATVALA, seconded by MR. A. PETHER, it was resolved :—

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

Also that an additional remuneration of Rs. 300 be sanctioned and paid to the Association's Auditors for the extra work involved in auditing the accounts for the year 1944.”

MR. DHARAMSEY MULRAJ KHATAU proposing and MR. H. F. MILNE 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.”

On the proposal of MR. T. V. BADDELEY, seconded by MR. BHAGWANDAS C. MEHTA, it was resolved :—

“That the amendments made by the Committee in the Association's Rules for Arbitrations on Indian Piecegoods and Yarn as per their resolution dated 24th November 1944, be confirmed and given effect to as from 24th November 1944.”

MR. L. F. H. GOODWIN proposing and MR. RAMNATH A. PODAR seconding, it was resolved :—

“That an expenditure of Rs. 2,008-12-0 authorised by the Committee for instituting a test case in regard to the admissibility of expenses incurred in registering existing trade marks as an item of expenditure for purposes of E.P.T. and income-tax assessments be divided equally among all mills which were on the membership roll of the Association on 13th April 1944.”

On the proposal of the CHAIRMAN, seconded by the DEPUTY CHAIRMAN, it was resolved :—

(a) “That the action taken by the Committee of the Association in appealing against the increase in the Municipal Water Tax levied with effect from 1st April 1944, be and is hereby approved and confirmed ; and

(b) Further that the expenditure incurred in this connection be shared by cotton mills situated within the Bombay City Municipal limits in such proportion as the Committee may decide.”

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

**Report for the Year 1944.**

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*Section II.*

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

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

*For the period 1st January to 31st December 1944.*

**FOREWORD.**

THE year 1944 was remarkable for the continuance of the Allied victories in all theatres of war and every succeeding month of the year brought the final victory of the Allies nearer and nearer.

The Russians inflicted crushing blows on the German Army and succeeded in reoccupying the entire Russian territory which was under German occupation. The continued victorious march of the Allies on all the fronts had a very sobering effect on Germany's satellites. Rumania and Bulgaria were soon lost to Germany followed shortly by Finland. Hungary too was brought to a state of collapse despite frantic efforts by the German army to defend that country. Spain had also to agree to the Allies' demand for restricting Germany's activities in her country. Turkey broke off diplomatic relations with Germany in August.

The most remarkable event not only of the year 1944, but also of the whole war was the successful invasion of Europe, in which all the fighting units of the United Nations took part. On 6th June 1944, the greatest armada known in history, set out from the shores of England, and that day will be known to posterity as the Deliverance Day on which the armies of the United Nations, under the Supreme Command of General Eisenhower, set foot on the soil of Europe to carry on the most difficult undertaking of delivering the occupied countries from the iron yoke of Germany. After overcoming the initial difficulties, the Allied Units went from victory to victory, and France and Belgium were liberated within a few months. The furious attack of the Germans encountered towards the close of the year was checked by vigorous counter-measures which were speedily put into operation.

The industrial and military targets in all places in Germany were subjected to devastating aerial attacks, which grew in frequency and intensity month by month throughout the year.

On the Pacific Front, the Americans not only consolidated their gains of the previous year, but dealt heavy and crippling blows naval as well as aerial to the Japanese fleet, which culminated in the successful invasion of the Philippine Islands. Occupation of Guam, Saipan and other neighbouring strategic islands enabled American Super Fortresses to bomb important industrial centres in Japan, Manchuria and other Japanese-occupied centres in China.

Severe reverses were inflicted on the Japanese in Burma. The threat of a Japanese invasion on India was removed and the whole of North Burma was cleared of the Japanese forces.

The conflicting elements of the political parties in China made common cause against the enemy and the course of the sweeping Japanese victories in China was brought to a halt.

The year 1944 witnessed the second war-time election of the President of the United States of America and Mr. Roosevelt was elected President for the fourth consecutive term.

Reviewing the events in our own country, the most important one was the unconditional release of Mr. Gandhi in May. After recuperation of his health, Mr. Gandhi made efforts to bring about Hindu-Muslim unity, which unfortunately proved abortive.

The City of Bombay was rocked by two terrific explosions on 14th April 1944, which caused untold loss of life and property.

As regards food and clothing, in order to bring these two essentials within the reach of the masses, the Government adopted more and more stringent measures by means of anti-hoarding and anti-profiteering measures.

The evenful happenings on all the fronts would have affected the course of prices of all commodities, but during the year 1944 the prices of all the important articles of trading being under control by the Government, they could not reflect the effect of war events. Important changes in the cotton and cloth markets together with the factors responsible for such changes are mentioned below.

*Cotton.*—The year commenced with I. C. C. January at Rs. 483, March, Rs. 479 and May, Rs. 480 New York May being quoted 19.39. The I. C. C. was thus about 110 below parity compared to New York. The undertone of the market was good and fluctuations were narrow till the first fortnight of January after which price for March I. C. C. declined to Rs. 465 on the 22nd. There was, however, a reaction, the price touching Rs. 477 for March towards the close of the month.

In the beginning of February prices fluctuated round about the last level within narrow limits but with a lower tendency. Arrivals at up-country centres were fairly heavy. Prices declined to Rs. 468 on the 7th but thereafter the market regained the previous level where it remained till the 11th, after which there was a setback. The New York market, however, showed a rising tendency where prices recorded a rise of one cent. Price here declined to Rs. 461 on the 18th. The basis for Broach cotton was rapidly falling owing to heavy arrivals at various centres where buyers were inclined to wait owing to discounts falling daily. After some time the market declined further to Rs. 458 towards the close of the month.

March too showed a gradual downward tendency till the price touched Rs. 437 on the 4th. There was a reaction after this and a rise of Rs. 14 was recorded. But the market could not withstand the downward tendency and towards the end of the month prices stood at Rs. 430.

After a slight reaction in the beginning of April, of Rs. 6, price of May contract again touched Rs. 430. There was again a reaction of Rs. 15 and price went up to Rs. 445 on the 7th but the rise proved to be of short duration and the market again began to decline, prices touching Rs. 416 towards the close of the month owing to absence of buyers for spot cotton. It was argued that, according to Government announcement, there was no moral obligation on their part to buy other varieties of cotton which at this time were offered below floor prices since the contract rate was higher than the floor price fixed by Government at Rs. 400. Anyhow, Government came forward as a buyer in Broach centres which at once turned the scales and a crisis was averted. The Government also put forward their plan for drastically curtailing the cotton crop and compelling the growing of more food crops for the coming season. In Khandesh district it was prohibited by the Government of Bombay to cultivate deshi or any other than Jarilla cotton. Mills also did not show any inclination to cover their requirements as owing to the peculiar conditions in the textile trade it was not thought advisable to enter into big forward sales of cloth and yarn.

The month of May did not show any activity, there being more widening in the prices of May and July contracts. Prices at Karachi showed more weakness and this had further adverse effect on Bombay markets. The July contract which stood at Rs. 436 at the beginning of the month recorded a small recovery but soon declined to Rs. 428 on the 13th. There was again a small reaction of Rs. 7 which could not be maintained for long and the price stood at the previous level towards the end of the month.

The month of June showed further weakness and step by step the price fell till it touched Rs. 400 on the 20th, which was the limit declared by Government when they would start purchases. The trade was warned not to deal in contracts below the floor prices fixed by them. A deadlock prevailed and eventually the Government's buying plan came into operation. An *ad hoc* committee as well as purchasing agents were appointed by the Textile Commissioner who also announced the terms on which cotton could be offered to Government. This had a slight effect on the market, which registered a small rise of Rs. 5. September price stood at Rs. 425 towards the end of the month.

In the month of July even this small rise could not be maintained owing to lack of buying from any source other than Government. Most of the July business was switched over to September delivery which declined in consequence to Rs. 416 on the 7th. Prices remained more or less round this level with small fluctuations for some time but towards the close of the month the September contract declined to Rs. 411.

The month of August brought down prices to Rs. 403 towards the middle of the month. Here there was again inactivity and prices stood at Rs. 400 on the 26th.

In September also price nominally quoted was Rs. 400 with a very limited turnover. New York market was almost steady throughout the period. After some alterations and adjustments in the by-laws the March 1945 contract was allowed to open. One such alteration to be taken note of was that for each tenderable quality a staple length was fixed with a latitude of only  $1/32$ ", whereas upto now, as, for example, 7/8" staple quality was taken up even if it was awarded  $3/4$ " staple. The deposit amount was also reduced to Rs. 12-8 per bale in place of Rs. 25 previously fixed for every outstanding contract at weekly clearings.

U.S.A. Bureau report on the 8th of September estimated a cotton crop of 11,483,000 bales which in August was calculated at 11,022,000 bales, yield per acre being taken at 273.4 lbs. On the 19th the new crop 1945 March contract opened at Rs. 434 and after recording a slight setback closed firm at Rs. 439½ on the same day. May contract also came with a premium of Rs. 7. After touching Rs. 444 the market showed an easy tendency owing to hedge selling against spot holdings as the new floor was fixed as low as Rs. 350, the ceiling being same as last at Rs. 550. At Karachi owing to crop estimates of Sind and Punjab being higher than the previous year, prices soon declined and this had a reactionary effect on Bombay market which sharply declined to Rs. 414 towards the end of September.

In October after a small reaction of Rs. 9 prices steadily declined to Rs. 391 on the 14th, with May at Rs. 402. This was the lowest price touched during this year. There came at this time good support and prices rose to Rs. 416 on the 27th. Even at Karachi there was a reaction. Prominent speculators seemed to have entered the market at the proper time but for whom, the prices would perhaps have gone swiftly towards the new floor. Crop was expected to be late and estimates were being reduced which also imparted good feeling to the market.

The month of November in the early period showed a reaction and prices went down to Rs. 398 on the 8th on reports of subsidy on exports of cotton from U.S.A. But the bull operators again came on the scene to support the market and a rise of Rs. 15 was recorded soon after. After a slight reaction here, prices touched Rs. 425 on the 30th November.

The month of December recorded further steady rise to Rs. 452 on the 9th. The final U.S.A. crop estimate was 12,359,000 bales, with a record yield per acre at 295.3 lbs. A drop of Rs. 20 was soon recorded on profit-taking by the bulls and prices touched Rs. 430 on the 14th. There was a sharp rise here to Rs. 459 on the 19th on reports of a small crop. After a drop of Rs. 14 prices again rose to Rs. 459 on the 21st which was the highest for this year. The Government of India was reported to be offering for sale stocks lying at up-country centres on their account and estimated at about 275,000 bales.

The first All-India Acreage estimate for 1944-45 showed a decrease of 24 per cent. as compared with that of last season. However, this was not a full report as some districts were not included. Prices on 30th December stood as under :

L. C. C. March .. .. .	Rs. 442-4
"    May .. .. .	" 453-12
New York May .. .. .	21.98
Cross rate .. .. .	4.03

**Cloths and Yarns.**—The story of the cloths and yarn markets during the year is more or less a story of black markets, control, and still more black marketing. At the end of the year there was apparently complete control of all marketing and distribution but even that did not prevent several varieties from going into black markets. As stated in the last report, the "Cotton Cloth and Yarn (Control) Order" was promulgated in the early part of 1943 and under this Order prices were fixed as from 1st August 1943 for a very few sorts. In December 1943 it was made an offence to sell any cloth that had not its price stamped. Under the Standard Cloth Scheme cloths were made available by manufacturers in many cases very nearly at cost; but even here movement of coarse and medium cloths was slow and demand from Provincial Governments was heavy for the 40/40 varieties, while they were reported to be holding large stocks of coarse and medium varieties.

Hoarding and black marketing was not confined to private individuals or associations. Some Provincial Governments were reported to have made large profits on Standard Cloths, while others were reported to have held on to stocks received by them in anticipation of larger profits. When the Standard Cloth Scheme was put into effect the intention was that all cloths received from manufacturers should reach consumers at a margin of 6½ per cent. When prices for Standard Cloth paid to manufacturers were reduced, the effect of hoarding by Provincial Governments and the hold up of stocks for want of booking facilities was felt immediately and retail sale prices of Standard Cloths held on Government account were not reduced.

On the allegation that certain mills had tried to evade the provisions of the Cotton Cloth and Yarn (Control) Order, these were taken over by the Government and cloths from these mills were distributed through Government agency. In May an order was promulgated under which manufacturers were required to sell cloths only to those dealers who had bought from the mills during the years 1940-42 in strict proportion to the cloths delivered by the manufacturers to these dealers.

Heavy export demand continued during the year, and as manufacturers were allowed to charge any prices they liked for export goods, sales for export were very heavy, reducing quantities available for home consumption. Export prices were, however, also brought under control towards the latter part of the year. Other measures were also taken to bring exports under control. One of the offshoots of the Export Control Order is the establishment of the Cotton Textiles Fund for purposes of technical education and research in textile industry through the imposition of a 3 per cent. duty on all exports of cloths.

Throughout the year demand for cloths and yarns was heavy both in Bombay and up-country. One reason why supply did not meet demand was heavy export requirements, and Supply Department and Standard Cloth orders from Government. Another reason was want of adequate transport facilities which was felt throughout the year.

Ceiling prices were fixed for all varieties of cloths effective from December 1943. These were reduced by 1½ annas per rupee in March 1944. There was a further reduction of 1½ annas per rupee of the reduced price effective 1st June. These reduced prices were further reduced by one anna in the rupee from 1st September 1944 and these prices remained fixed till the end of the year. Since the successive reductions were in some measure counter-balanced by fall in prices of Indian and East African cottons, the margins to mills were not reduced to the full extent of the reduction in prices of cloth.

In the case of yarns, ceiling prices were first reduced from 1st March by 2 annas in the rupee and by a further 2 annas in the rupee of the reduced price from 1st June. From 1st September prices of coarse yarns upto 26s count were further reduced by 1½ annas in the rupee, while prices of certain fine counts were increased. This increase was given because there was a great scarcity of fine yarns due to curtailment of production of fine yarns for sale as fine cloths were more paying to mills than fine counts yarns. During the whole year demand for all counts of yarns was greater than supply and yarns sold even at higher than ceiling prices. The only exception was 20½s yarn which sold just for a couple of days in September below ceiling prices.

Mill productive activity was steady throughout the year. The net number of looms and spindles working double shift was 76 per cent. and 77 per cent. respectively in the beginning of the year, and 75 per cent. and 74 per cent. at the end of the year.

Profits earned by mills during the year have been lower than in 1943 as the reduction in ceiling prices was not fully set off by the reduction in costs but they were still fairly high. All indications point to profits during 1945 being still lower than those for 1944.

#### ELECTION OF CHAIRMAN OF THE ASSOCIATION FOR 1945.

The annual ballot for the office of the Chairman of the Association for the year 1945 was held on 15th January 1945, and resulted in the election of Sir Vithal Chandavarkar, M.L.A., Managing

Director of Messrs. N. Sirur & Co., Ltd., Managing Agents of the Mysore Spinning and Manufacturing Co., Ltd., the Minerva Mills Ltd., and the Modern Mills Ltd.

#### ELECTION OF DEPUTY CHAIRMAN OF THE ASSOCIATION FOR 1945.

The ballot for the election of the Deputy Chairman of the Association for the year 1945 was held on 22nd January 1945, and resulted in the election of Mr. J. C. Lancashire, Director of the Gokak Mills Ltd., and the Simplex Mills Co., Ltd.

#### ELECTION OF THE COMMITTEE FOR 1945.

The ballot for the election of the 18 members of the Committee for the year 1945 was held on 29th January 1945, and the following gentlemen were duly elected:—Sir Ness Wadia, K.B.E., C.I.E.; Sir Sorab Saklatvala, M.L.A.; A. Geddis, Esq.; T. V. Baddeley, Esq.; H. F. Milne, Esq.; Dharamsey Mulraj Khatau, Esq.; A. Pether, Esq.; Neville N. Wadia, Esq.; Krishnaraj M. D. Thackersey, Esq.; G. D. Somani, Esq.; L. F. H. Goodwin, Esq.; H. G. H. Everitt, Esq.; Ramnivas Ramnarain, Esq.; Ramnath A. Podar, Esq.; Bhagwandas C. Mehta, Esq.; W. B. Bryden, Esq.; Tansukhrai M. Karundia, Esq.; and Navinchandra Mafatlal, Esq.

#### SENATE OF THE UNIVERSITY OF BOMBAY.

##### ASSOCIATION'S REPRESENTATIVE.

Towards the end of January, the University of Bombay informed the Committee that the period of office as the Fellow of the University of Bombay of Sir Vithal Chandavarkar, the Association's representative on the Senate, was due to expire on 1st April 1944 and suggested that arrangements might be made for the election of a representative. An election held, in accordance with the prescribed rules and regulations, resulted in Sir Vithal Chandavarkar being returned unopposed as the Association's representative.

#### G.I.P. RAILWAY LOCAL ADVISORY COMMITTEE.

##### ASSOCIATION'S REPRESENTATIVE.

Early in April, the G.I.P. Railway informed the Committee that the tenure of office of the existing members of the Local Advisory Committee was due to expire towards the end of May, and suggested that a representative of the Association might be elected on the new Committee for a period of two years with effect from 1st June 1944. The Committee re-appointed Mr. Krishnaraj M. D. Thackersey as the Association's representative on the Advisory Committee.

#### TECHNOLOGICAL RESEARCH SUB-COMMITTEE OF THE INDIAN CENTRAL COTTON COMMITTEE.

##### ASSOCIATION'S REPRESENTATIVES.

Towards the end of February, the Indian Central Cotton Committee informed the Committee that the term of office of Messrs. A. D. Walwyn and G. C. Abbott, the Association's representatives on the Technological Research Sub-Committee, was due to expire by the end of March 1944, and requested the Committee to appoint two representatives for a period of one year from 1st April 1944. The Committee re-appointed Messrs. A. D. Walwyn and G. C. Abbott for a further period of one year. Subsequently Mr. Abbott died and Mr. H. G. H. Everitt was appointed to take his place on the Sub-Committee.

#### THE TEXTILE TRADE MARKS ADVISORY COMMITTEE.

##### ASSOCIATION'S REPRESENTATIVES.

Towards the end of August, the Government of India informed the Committee that the tenure of office of the members appointed to represent the Association on the Advisory Committee had expired early in August and suggested that the Committee might make fresh recommendations in this behalf for a further period of two years. The Committee re-appointed Mr. Dharamsey Mulraj Khatau, Mr. T. V. Baddeley and Mr. A. Pether as the Association's representatives on the Textile Trade Marks Advisory Committee for a further term of two years.

#### BOMBAY SMOKE NUISANCES COMMISSION.

##### ASSOCIATION'S REPRESENTATIVE.

Early in April, Mr. Mark Binnie, one of the representatives of the Association on the Bombay Smoke Nuisances Commission, resigned his membership on the Commission and Mr. H. A. Wood was appointed in his place.

## EXPORT ADVISORY COUNCIL.

(See also page 11 of Report for 1940.)

Reference was made on pages 11-12 of the Association's report for the year 1940 to the nomination of Sir Vithal Chandavarkar as the Association's representative on the Export Advisory Council constituted by the Government of India.

Towards the middle of November, Government decided to reconstitute the Advisory Council as under :—

- (i) Chairman (the Hon'ble the Commerce Member).
- (ii) Five members, nominated one each by the following Associations concerned with export trades :—
  - (a) Calcutta Baled Jute Association.
  - (b) Indian Jute Mills Association, Calcutta.
  - (c) Grain Merchants' Association, Bombay.
  - (d) Calcutta Hides and Skins Shippers' Association.
  - (e) Southern India Skin and Hide Merchants' Association, Madras.
- (iii) Two members nominated by the Textile Control Board.
- (iv) Six members, nominated two each by the Associated Chambers of Commerce of India, the Federation of Indian Chambers of Commerce and Industry, and the Federation of Muslim Chambers of Commerce and Industry.
- (v) Twelve members to be nominated by the Government of India as representatives of interests not otherwise adequately represented on the Council.

The Committee were not satisfied with the composition of the reconstituted Council as, in their view, no provision had been made for the representation of interests directly interested in the export of Indian piecegoods and yarn. It was thought that the experience and knowledge gained by these interests in all matters connected with the export trade would be of inestimable value to the Council, and it was, therefore, suggested that two or three members from the Advisory Committee which had been set up to advise the Export Trade Controller in Bombay might be included in the Council. In this connection, it was thought that the suggestion made by the Committee could be implemented without upsetting the representation of other interests since Government had reserved to themselves the right to nominate 12 members to the Council. Government subsequently nominated Mr. Dawood Hajee Nasser who was attached to the Bombay Export Trade Controller's Advisory Committee as a member of the new Council.

## GUNNIES AND HESSIAN MOVEMENTS PANEL.

### ASSOCIATION'S REPRESENTATIVE.

Towards the end of January, Mr. Krishnaraj M. D. Thackersey, the Association's representative on the Gunnies and Hessians Movements Panel, intimated his inability to serve on the Panel on account of his pre-occupations, and the Committee, therefore, appointed Mr. J. C. Lancashire as the Association's representative on the Panel.

## JOINT EXAMINATION BOARD IN CHEMICAL ENGINEERING AND TECHNOLOGY.

### ASSOCIATION'S REPRESENTATIVE.

Towards the middle of July, the Association of Principals of Technical Institutions (India) requested the Committee to nominate a representative on the Joint Examination Board in Chemical Engineering and Technology.

The Committee appointed Sir Shri Ram to represent the Association on the Joint Examination Board.

## ADVISORY COMMITTEE SET UP IN CONNECTION WITH THE DISTRIBUTION OF CLOTH THROUGH APPROVED DEALERS.

### ASSOCIATION'S REPRESENTATIVE.

Towards the middle of June, the Provincial Textile Controller requested the Committee to nominate a representative on an Advisory Committee which Government proposed to set up to advise the Controller in the distribution through approved retailers, of cloth frozen by Government and the cloth of mills whose production had been taken over.

The Committee appointed Mr. Ramnath A. Podar as the Association's representative on the Advisory Committee.

## ADVISORY COMMITTEE FOR FIXING PRICES OF SEALED CLOTH AND YARN.

### ASSOCIATION'S REPRESENTATIVE.

Towards the end of March, the Deputy Director of Civil Supplies, Bombay, invited the Committee to nominate a representative on a committee which Government proposed to appoint in order to advise

him in fixing prices of those varieties of cloth and yarn which had been sealed and the prices for which were not available in the Government of India price lists. The Committee appointed Mr. Bhagwandas C. Mehta as the Association's representative on the proposed committee.

### COMMITTEE SET UP FOR THE STANDARDISATION OF OCCUPATIONAL TERMS AND OF WAGES OF TECHNICAL PERSONNEL.

#### ASSOCIATION'S REPRESENTATIVE.

Towards the end of April, the Chairman, National Service Labour Tribunal, invited the Committee to nominate a representative on the Committee, which the Government of Bombay proposed to set up to examine the question of the standardisation of occupational terms and of wages of technical personnel.

The Committee were to examine and report on:—

- (1) Standardisation of occupational terms;
- (2) Statistics of wages and methods of wage fixation;
- (3) The extent to which standard basic rates, both for time and piece work, can be fixed.
- (4) The possibility of introducing a measure of standardisation in respect of (a) overtime, (b) night work, (c) bonuses such as annual bonuses, production bonuses, etc., and (d) any other form of remuneration supplementary to the basic rates.

The Committee appointed Mr. R. G. Gokhale, the Association's Labour Officer, on the proposed Committee.

### REGIONAL LABOUR SUPPLY COMMITTEE FOR BOMBAY CITY.

#### ASSOCIATION'S REPRESENTATIVE.

Towards the middle of June, the Collector of Bombay invited the Committee to appoint a representative on the Regional Labour Supply Committee for Bombay City, which the Government of Bombay proposed to set up in order to deal with the supply and control of unskilled labour in the City.

The Committee appointed Mr. R. G. Gokhale, the Association's Labour Officer, on the proposed Committee.

### CONSUMERS' ADVISORY COMMITTEE.

#### ASSOCIATION'S REPRESENTATIVE.

Towards the end of January, the Controller of Prices, Bombay, requested the Committee to nominate a representative on the Consumers' Advisory Committee in place of Mr. A. B. Mavlankar, who had resigned. The Committee appointed Mr. M. A. Moses of Messrs. E. D. Sassoon & Co., Ltd., as the Association's representative.

### JOINT CIVIL DEFENCE COMMITTEE.

(See also pages 16-17 of Report for 1942.)

Reference was made on pages 16-17 of the Association's report for 1942 to the nomination of Mr. Neville N. Wadia as the Association's representative on the Joint Civil Defence Committee, set up by the Government of Bombay.

In view of the improved war situation, the Government of Bombay dissolved the Civil Defence Committee towards the end of March, 1944.

### POST-WAR DEVELOPMENT COMMITTEE APPOINTED BY THE GOVERNMENT OF BOMBAY.

Early in January 1945 it was understood that the Government of Bombay proposed to appoint a Committee consisting of the following members to co-ordinate the activities of the various authorities in the Bombay City and Greater Bombay in connection with post-war development:

- The Adviser to the Governor for Education (Chairman),
- The Mayor and two representatives to be elected by the Corporation, Bombay,
- The Municipal Commissioner, Bombay,
- The Police Commissioner,
- The General Managers of the Bombay, Baroda and Central India Railway and Great Indian Peninsula Railway,
- The Chairman of the Bombay Port Trust,
- The General Manager, B.E.S.T.,
- The Presidents of the Chamber of Commerce and the Indian Merchants' Chamber, and
- A military representative.



The Committee were not aware of the circumstances under which the Association came to be excluded in the matter of representation on the proposed Committee. The matter was, therefore, taken up with the Government of Bombay, and it was pointed out that the Association counted amongst its membership all cotton mills in the city which, apart from making a very substantial contribution to the revenues of the local Government and the Bombay Municipal Corporation, gave employment, directly or indirectly, to a very large section of the population of the city. In this view of the case, Government were requested to grant adequate representation to the Association on the proposed Committee.

#### MEMBERSHIP.

The total membership of the Association at the end of 1944 was 143 as against 129 at the beginning. The undermentioned fourteen mills were elected members during the year:—

- (1) The Maharana Mills Ltd., Porbandar.
- (2) The Bharat Spinning and Weaving Co., Ltd., Hubli.
- (3) The Punjab Textile Mills Ltd., Lahore.
- (4) The Barsi Spinning and Weaving Mills Ltd., Barsi.
- (5) The Morvi Cotton Mills Ltd., Morvi (name now changed to Shree Ramesh Cotton Mills Ltd., Morvi).
- (6) Messrs. Yadalam Subbiah Setty and Sons (proprietors: The Sri Krishna Weaving Mills, Bangalore City).
- (7) The Madhaonagar Cotton Mills, Ltd., Madhaonagar, Budhagon.
- (8) The Hyderabad (Dn.) Spinning and Weaving Co., Ltd., Secunderabad (Dn.)
- (9) The Broach Fine Counts Spinning and Weaving Co., Ltd., Broach.
- (10) The New Pratap Spinning, Weaving and Manufacturing Co., Ltd., Dhulia.
- (11) The Lokamanya Mills, Barsi, Ltd., Barsi.
- (12) The Jayashankar Mills, Barsi, Ltd., Barsi.
- (13) The Chalisgaon Shri Laxmi Narayan Mills Co., Ltd., Chalisgaon.
- (14) The Surat Cotton Spinning and Weaving Mills Ltd., Surat.

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#### DONATIONS.

At the Annual General Meeting of the members of the Association held on Tuesday the 11th April 1944, 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
<b>Total</b>	<b>Rs. 5,000</b>

#### AUDITORS OF THE ASSOCIATION.

At the Annual General Meeting of the members of the Association held on Tuesday the 11th April 1944, Messrs. A. F. Ferguson & Co. were appointed as the Association's Auditors for the year 1944 on a remuneration of Rs. 500 per annum.

It was also resolved to pay an additional remuneration of Rs. 300 to the Auditors for the extra work done by them in auditing the accounts for the year 1943.

#### DONATIONS TO THE DEPARTMENT OF CHEMICAL TECHNOLOGY OF THE UNIVERSITY OF BOMBAY.

(See also pages 77 and 185 of Report for 1943.)

Reference was made on pages 77-79 of the Association's report for the year 1943, to the appeal from the Vice-Chancellor of the University of Bombay, for donations to the Department of Chemical Technology and to the appeal issued by the Chairman of the Association.

In response to this appeal, a sum of Rs. 4,01,151-10-1 was donated by member mills, and this amount was offered to, and accepted by the University on the following conditions:—

- (a) The amount will be utilised for further expansion, and not for meeting the existing commitments of the University, in regard to the Department of Chemical Technology.

- (b) That Rs. 1,50,000 from the endowment should be earmarked for the erection of a laboratory on the lines of a pilot plant house for Dyestuff Technology and its equipment in an up-to-date manner, this laboratory being called "The Bombay Millowners' Laboratory for Dye stuff Technology."
- (c) That a further sum of Rs. 50,000 from the endowment be utilised for the construction and equipment of a separate laboratory entirely devoted to advanced research in textile chemistry this laboratory being called "The Bombay Millowners' Laboratory for advanced research in textile chemistry."
- (d) That a sum of Rs. 50,000 out of the endowment be utilised in the purchase of special equipment for the study of modern methods of finishing textiles.
- (e) That 3½ per cent. Government Paper to the face value of Rs. 1,25,000 be set apart for the institution and maintenance of two research Assistantships in Textile Chemistry, these research assistantships being held by graduates of the Department with the minimum qualification of Ph.D. in Textile Chemistry.
- (f) Whatever balance remained in the endowment should be utilised at the discretion of the University in purchasing equipment for the laboratory for the Dyestuff Technology or for the laboratory for advanced research in Textile Chemistry.
- (g) That the present high standard both with regard to the prerequisite qualification of students and the quality of teaching imparted in the Department should be maintained.
- (h) That the representation given to the Association on the Board of Visitors of the Department of Chemical Technology should be continued.

The donations received from members were handed over by Sir Vithal Chandavarker, Chairman of the Association, at a pleasant party held in the premises of the Department of Chemical Technology, Matunga, on 13th September 1944, and Mr. B.J.Wadia, Vice-Chancellor, in receiving the amount from the Chairman, in a suitable speech thanked the Association and its members for their munificent gift.

As a result of this donation, the Association became entitled, under section 13-11 (D) of the Bombay University Act, to nominate a Fellow for a period of 20 years from the date of acceptance by the University of the donation, in addition to the right which the Association already enjoyed in the matter of electing a representative under section 13A (4) of the University Act. Accordingly the Registrar, Bombay University, requested the Association to nominate an additional representative to serve on the Senate, and the Committee appointed Mr. Neville N. Wadia as the Association's additional representative. (*Appendix 1.*)

#### ASSOCIATION'S RULES FOR THE REGISTRATION OF TRADE MARKS, TRADE NUMBERS AND TRADE NAMES.

Towards the middle of January, the Committee considered the position of the Association's schemes for the registration of trade marks, trade numbers and trade names, and, on their recommendation the following resolutions were passed at the Annual General Meeting of the members of the Association held on 11th April 1944 :—

- (a) That the Committee's resolution dated 17th January 1944 suspending until the next Annual General Meeting, the operation of the Association's Rules for the registration of Trade Marks, Trade Numbers and Trade Names for reasons mentioned in the Resolution, be and is hereby confirmed ;
- (b) That the Trade Marks Act, 1940, having come into force, the operation of the Association's Rules for the registration of Trade Marks, Trade Numbers and Trade Names be suspended until a resolution of the Committee under powers in that behalf to be conferred upon them by this meeting shall be passed cancelling such suspension and restoring the operation of such Rules, or until a further Resolution of this meeting ;
- (c) That in the event of the Trade Marks Act, 1940, ceasing for any reason to operate, or in the event of an emergency, in the opinion of the Committee of the Association, necessitating such action, the Committee of the Association be and are hereby empowered by Resolution to cancel the suspension of and to restore the operation of the Association's Rules for the registration of Trade Marks, Trade Numbers and Trade Names with effect from such date as in the opinion of the Committee the circumstances necessitate ; provided that such date shall have previously been notified to the members of the Association.

#### REVISION OF THE ASSOCIATION'S ARBITRATION RULES.

Early in September, the attention of the Committee was drawn to a judgment given by Mr. Justice Blagden in the matter of an arbitration held under the Association's Arbitration Rules. The arbitrators, at the request of the mills, one of the parties to the arbitration, had given an interim award directing the buyers to pay for and take delivery of the goods before proceeding with the matter. The learned Judge expressed the view that the interim award was not valid, as the arbitrators had not the power to order specific performance of a contract. The matter was, therefore, referred to the Association's Solicitors who suggested certain amendments in the Association's Arbitration Rules so as to give specific powers to the arbitrators to make orders, whether by way of interim award or otherwise, for the preservation or interim custody or sale of any goods which were the subject matter of a reference or for securing the amount in difference in the reference. The amendments suggested by the solicitors were accepted by the Committee and given effect to towards the end of November.

## ARBITRATORS' AND UMPIRES' PANELS.

In accordance with rules 3 and 4 of the Association's Rules for arbitration on Indian piecegoods, the Committee appointed the following gentlemen to serve on the Arbitrators' and Umpires' Panels for the triennium ending 31st March 1947:—

### ARBITRATORS.

**Millowners' Panel.**—Sir Sorab Saklatvala, Mr. E. M. Solomon, Mr. B. S. Dabke, Mr. L. F. H. Goodwin, Mr. Ramniwas Ramnarain, Mr. G. D. Somani, Mr. Ramgopal Ganpatrai Ruia, Mr. Keshavji Morarji, Mr. Krishnaraj M. D. Thackersey, Mr. B. G. Davy, Mr. H. G. H. Everitt, Mr. H. F. Milne, Mr. Narandas Munmohandas Ramji, Mr. A. Pether and Mr. T. V. Baddeley.

**Piecegoods Merchants' Panel.**—Mr. Harkisondas Premchand, Mr. Laxman Vaman Apte, Mr. Devji Damodar, Mr. Premji Virji, Mr. Gordhandas Goculdas Morarjee, Mr. Dahyalal Mathuradas, Mr. Ratansi Champsey, Mr. Purshottam Mulji Kapadia, Mr. Padamsi Damodar Govindjee, Mr. Tansukhrai M. Karundia, Mr. Harnarayan Gopaldas, Mr. Jamnadas Mathradas, Mr. Gordhandas Vandhravan, Mr. Mansuklal Premji, and Mr. Maganlal Chakubhai.

### UMPIRES.

Sir Sorab Saklatvala, Mr. Krishnaraj M. D. Thackersey, Mr. Purshottam Mulji Kapadia, Mr. Ramniwas Ramnarain, Mr. Premji Virji, Mr. T. V. Baddeley, Mr. A. Pether, Mr. Devji Damodar, Mr. Gordhandas Goculdas Morarjee and Mr. H. G. H. Everitt.

## LEASE-LEND MOTOR TRUCKS.

(See also pages 74-75 of Report for 1943.)

Reference was made on pages 74-75 of the Association's Report for the year 1943 to the application made by the Association for a number of motor trucks under the Lease-Lend Scheme, for the use of certain member mills.

Early in November 1944, Government released 30 trucks; in February 1945, 3 more trucks were released, making in all 33 trucks for the use of members. One of the conditions of release was that the lorries should be run on gas.

## ASSOCIATION'S CLOTH SHOPS.

### SCHEME FOR THE MANUFACTURE AND DISTRIBUTION OF CLOTH IN BOMBAY CITY.

(See also page 16 of Report for 1943.)

Reference was made on pages 16-18 of the Association's report for 1943 to the cloth shops which were opened under the auspices of the Association with the object of supplying cloth at controlled rates to the citizens of Bombay.

With the introduction of the cloth control measures by the Central Government, the circumstances which necessitated the opening of the shops had disappeared. The Committee, therefore, thought that no useful purpose would be served by continuing the shops, and accordingly, the 13 shops which were opened by the Association were closed down.

## INTRODUCTION OF CONDENSED MILK IN MILL CANTEENS.

Towards the end of January 1945, the Government of Bombay issued a notification prohibiting the use of cow's or buffalo's milk (including tinned milk) in the preparation of tea, coffee, curds, or butter-milk, except in accordance with the conditions of a licence granted by the Director of Civil Supplies. The Association had agreed to introduce the use of condensed milk up to at least 50 per cent. in mill canteens on a voluntary basis even before the notification was issued, but under the terms of the notification, a permission was necessary to continue the arrangements by which mills were using condensed milk and fresh milk in their canteens, and this was subsequently obtained.

## MEMBER MILLS' REQUIREMENTS OF HARD COKE.

In view of the difficulties experienced by member mills in obtaining their requirements of hard coke, the Association set up in November a hard coke dump and supplied therefrom coke to member mills in Bombay on the basis of recommendations issued by the Textile Commissioner.

## CASH DEPOSITS FROM MILL RATION SHOPS.

Under the Government of Bombay's Rationing Scheme, ordinary authorised retail distributors in Bombay City and Bombay Suburban Districts were required to give a cash deposit of Rs. 250 to Government, this deposit serving as a check on the distributors, and if serious irregularities were detected, a part or whole of the deposit would be forfeited after proper enquiry. Mills and factories had not been required to give any such deposit, but towards the middle of May, the Controller of Rationing, by a circular, pointed out that if the manager of a mill or factory failed to conduct his ration shop properly even after warning, he would in future be required to furnish a cash deposit of Rs. 250 to Government, this deposit being liable to be forfeited in full or in part if any serious irregularities were detected in the running of the shop thereafter.

The matter was taken up by the Committee with the Supply Commissioner, and it was decided to accept the arrangements proposed by Government on the following understandings:—

- (a) Sufficient warning should be given to mills before asking for the deposits.
- (b) Complaints regarding contravention of the Orders by mills should be investigated by senior official of the department.
- (c) No action should be taken against any mill without giving it an opportunity to defend itself.

### MUNICIPAL ASSESSMENT OF COTTON MILLS.

#### ASSESSMENT OF VACANT LANDS.

(See also pages 12 and 101 of Report for 1943.)

Reference was made on pages 12-13 of the Association's report for 1943 to an agreement which had been reached between the Association and the Municipal Commissioner in connection with the assessment of cotton mills. This agreement was to be in force for a period of five years commencing from the year 1943-44.

Clause (f) of the agreement read as under:—  
 "Status quo would be retained as regards the principle underlying the assessment of all mill lands including mill lands reserved for future extension."

The agreement thus restored the *status quo* in regard to the assessability of the land, but did not define the rate at which the land should be assessed. This formed the subject-matter of further discussion between the Association and the municipal authorities, and, towards the middle of December, it was agreed that mill lands reserved for future extensions, be valued at a flat rate of Rs. 10 per square yard (except in the case of certain lands of the New China Mills and the New Sun Mills), the rental value being estimated at 3½ per cent. of this value. (Appendix 2.)

#### WATER TAX PAYABLE BY MILLS.

##### INCREASE IN RATE.

(See also pages 20 and 139 of Report for 1941.)

Reference was made on pages 20-21 of the Association's report for the year 1941 to the increase in the water rate charged to the mills from As. 10 to As. 14 per thousand gallons from 1st April 1942.

Towards the end of December 1943, the Standing Committee of the Corporation recommended an increase in the rate at which water was supplied to cotton, dyeing, bleaching and other mills from As. 14 to Rs. 1-2-0 per thousand gallons. Section 140 (a) of the City of Bombay Municipal Act, read in conjunction with section 169, laid down the principle that the tax shall be reasonable with reference to the expenses of providing a water-supply for the city, and the Corporation was not, therefore, entitled to make a profit thereon. The following figures extracted from various Municipal publications, showed the income and expenditure position of the Corporation under the head "Water Works,"

Year	Total Income "Water Works." Rs.	Total Expenditure Rs.	Excess of Income over Expenditure. Rs.
1938-39	78,11,000	65,00,000	13,11,000
1939-40	81,05,000	66,62,000	14,43,000
1940-41	82,62,000	69,07,000	13,55,000
1941-42	87,31,000	68,24,000	19,07,000
1942-43	92,39,000	68,12,000	24,27,000
1943-44	1,01,29,000	70,43,000	30,86,000
1944-45*	1,00,62,000	73,10,000	27,52,000

\* Estimate only.

It was felt that the profit which the Corporation had made all these years under the head "Water-supply" was illegal and unwarranted. The water tax (by meter measurement) was raised from 10 annas to 14 annas in 1942-43 apparently without any legitimate reason, and though the estimated income and expenditure for water-works for the year 1944-45 showed no reason for the increase, the Corporation were being asked to agree to a further increase in rate from 14 annas to Rs. 1-2-0 per thousand gallons.

According to the latest Administration Report, the average cost of water brought to the city excluding wastage and supplies to the suburbs, worked out at three annas per thousand gallons, and making a 100 per cent. allowance for all factors, the all-in cost to the Municipality was not likely to exceed 6 annas per thousand gallons, which showed that, even the present rate of 14 annas was very much more than what the Corporation were entitled to collect under section 140 (a).

It was very difficult to understand why, of all consumers, mills, dye works and the race-course had been singled out for increased taxation. That mills had all along been paying for their water a rate which, in relation to other consumers, was excessive would be clear from the fact that, though mills had been consuming only 6.35 per cent. of the water brought into Bombay, they contributed about 24 per cent. of the total revenue derived by the Corporation under the head "Water taxation," and the domestic consumers who consumed 61 per cent. of the water brought into Bombay contributed only 41 per cent. of the total revenue; in fact, the average cost per gallon of water in their case seemed to work out at less than 3 annas per thousand gallons.

There was, therefore, no case for an increase in water tax, bearing in mind the considerations set forth in section 140 (a). Secondly, even if there were adequate reasons for an increase in water tax, there should be, it was felt, a fair and just readjustment of tax among all consumers.

Mr. Ramnath A. Podar, the Association's representative in the Corporation, also spoke in the Corporation on 26th January 1944 in support of the Association's point of view, but the Standing Committee's recommendations were ultimately passed by the Corporation.

The matter is now pending before the Chief Judge of the Small Causes Court.

Early in January 1945, the Committee were informed that the Standing Committee had proposed a further increase in water rate charged to mills from Rs. 1-2 to Rs. 1-8 per 1,000 gallons with effect from 1st April 1945. The Committee protested against this further increase, but the original proposal of the Standing Committee was accepted by the Corporation. (*Appendix 3.*)

### DEFECTIVE WATER METERS IN MILLS.

Early in January, the attention of the Committee was drawn to the fact that water meters installed in certain mills were defective. Section 276(2) of the City of Bombay Municipal Act reads as under :

"The Commissioner shall at all times keep all meters and other instruments for measuring water, let by him for hire to any person, in proper order for correctly registering the supply of water, and in default of his so doing such person shall not be liable to pay rent for the same during such time as such default continues."

The mill managements concerned had already represented matters to the Hydraulic Engineer, but the position still continued very unsatisfactory with the result that it led to constant friction between mill managements and the municipal authorities in regard to the charges leviable for water-supply. The Committee were aware that the Standing Committee had prescribed certain procedure which would be applicable while the meter was out of order or was under repair, but this provision was of an emergency character, which should not, in the Committee's view, be advanced as a justification for the continuance of the present state of affairs. The matter was, therefore, taken up with the Municipal Commissioner towards the end of January.

In a reply received towards the middle of March, the Municipal Commissioner stated that investigations carried out by the Hydraulic Department showed that out of about 238 meters, fixed on connections given to different textile mills, varying in sizes from  $\frac{1}{4}$ " to 8", about 75 were out of order and that steps were taken by the Hydraulic Engineer to repair some of the defective meters by replacing defective parts by sound parts removed from unserviceable meters or by new parts if they could be manufactured locally. He pointed out that, since the outbreak of war, considerable difficulty had been experienced in getting new meters and spare parts, and that so far as meters of certain sizes were concerned, it had become impossible to get them or spare parts required for them, from abroad. The Municipal Commissioner further stated that in spite of these difficulties, every effort was being made by the Hydraulic Engineer to repair these meters whenever it was possible, and that he had been able to repair more than half the number of defective meters but there were still many meters which could not be repaired as spare parts were not obtainable. It was also not possible to supply new meters in place of the defective meters as they were not available. In the circumstances, the Municipal Commissioner regretted that no further measures could be taken to remedy the present state of affairs and that there was no alternative but to compute charges for water consumption, in cases in which meters had gone out of order, in accordance with the appropriate method laid down in the Water Charges Rules sanctioned by the Standing Committee. He, however, suggested that if the managements of mills were in a position to procure new meters they could use them after getting them tested, sealed and fixed by the Hydraulic Engineer.

The Committee fully appreciated the difficulties experienced by the Municipality in obtaining spare parts, etc., for repairs and maintenance of defective water meters, but suggested that, where representations were made by individual mills regarding the unfairness of water charges bills presented by the Hydraulic Department, the matter should be gone into by the Hydraulic Engineer personally, and set right in a fair and most equitable manner.

In a reply received towards the end of May, the Municipal Commissioner stated that in accordance with the instructions already issued by him, representations made by individual mills for a revision of their bills were being considered by the Hydraulic Engineer on their merits, and that if he were satisfied about the reasonableness of the contentions, steps would be taken by him to have the bills amended in a fair and equitable manner. In view of the assurance given by the Municipal Commissioner no further action was taken by the Committee. (*Appendix 4.*)

### PRICE OF FURNACE OIL.

(See also page 14 of Report for 1943.)

It was stated on page 14 of the Association's report for 1943 that Messrs. Burmah-Shell Oil Storage and Distributing Co. of India, Ltd., reduced the price of furnace oil to mills to Rs. 60-14-0 per ton from 19th June, 1943.

With effect from 1st January 1944, the price was raised to Rs. 62-10-0 per ton. On 10th June 1944, the price was reduced by 6 annas, but this rate was again increased with effect from 7th September 1944, to Rs. 64-6-0 per ton. Subsequently, the price was reduced to Rs. 59-15-0 per ton with effect from 16th January 1945.

## FEEES FOR INSPECTION OF ELECTRICAL INSTALLATIONS AT THE MILLS.

(See also pages 15 and 108 of Report for 1943.)

Reference was made on pages 15-16 of the Association's report for the year 1943 to the representation addressed to the Government of Bombay, requesting clarification of the position regarding application of the schedule of charges for inspection of electrical installations at the mills.

In a reply received early in July, Government gave the following ruling:—

"The cotton mills which are factories within the meaning of the Factories Act, 1934, are primarily to be charged under Scale 'D' for the inspection of lighting and power installations therein. Moreover, those which have a generating set for supplying power or which are receiving supply in bulk from a licensee have to pay fees for the inspection of the generating set or the transformers and apparatus installed by them to receive supply in bulk, as the case may be, under Scale 'B' which is independent of Scale 'D'."

## RIOT AND CIVIL COMMOTION TARIFF RATES.

(See also page 24 of Report for 1942.)

Reference was made on pages 24-25 of the Association's report for the year 1942, to the increase in the Riot and Civil Commotion Tariff Rates which came into force from the midnight of 5/6th August, 1942. When representatives of the Association met the representatives of the Bombay Fire Insurance Association at that time, the latter indicated that the increases in the Riot and Civil Commotion Tariff Rates were not intended to be of a permanent nature and that they would be withdrawn as soon as the circumstances which warranted their introduction disappeared. The Committee felt that the conditions which obtained in Bombay and elsewhere did not warrant the continuance of increased rates; towards the end of November, the matter was therefore taken up with the Fire Insurance Association, and the increase was withdrawn by them with effect from 22nd January, 1945.

## INSURANCE RATES FOR EAST AFRICAN COTTON.

(See also pages 26 and 147 of Report for 1942.)

Reference was made on pages 26-27 of the Association's report for the year 1942 to the representation made by the Committee to the Bombay Fire Insurance Association in connection with the rating of Jinja, Congo and Belgian Congo cotton bales for insurance purposes. The point made by the Committee was that the Belgian Congo cotton bales, though smaller in size than East African cotton bales, were almost comparable to the latter as regards density, and in the circumstances, they should not be rated with American cotton. The Fire Insurance Association informed the Committee towards the middle of May, that Jinja, Congo and Belgian Congo cotton bales would be treated as fully pressed for rating purposes.

## MEETING WITH SIR EDWARD BENTHALL.

Towards the end of January, the Committee took advantage of the visit to Bombay of the Honourable Sir Edward Benthall, Member in Charge of War Transport with the Government of India, and discussed with him, in general, the transport problem as affecting the textile industry.

In the course of discussions, the following points were made by the Chairman and other members of the Committee:—

1. Desirability of accelerating the despatch of cotton piecegoods by rail from Bombay.
2. Shortage of coal experienced by mills, especially up-country member mills.
3. Possibility of sending goods from Bombay to up-country by military road convoy.
4. The question of reducing the cost of sending piecegoods and yarn from Bombay by sea to various destinations.
5. The question of reducing marine war risk insurance in respect of goods consigned by sea.
6. Desirability of organising country craft on the west coast as a means of relieving the pressure on large sea-going vessels and railways.

## MEETING WITH SIR ARDESHIR DALAL.

Towards the end of November, the Committee met the Honourable Sir Ardeshir Dalal, Member for Planning and Development, and discussed with him informally the following subjects:

1. Financial assistance from Government in the post-war rehabilitation of the industry.
2. Industry's post-war requirements of capital goods.
3. Government's tariff policy in the post-war period.
4. Manufacture of heavy machinery in India.
5. Government's labour policy.
6. Government's policy regarding development of agriculture and roads.
7. Post-war taxation policy of Government.

### MEETINGS WITH MR. N. R. PILLAI.

Early in April, the Committee took advantage of the visit to Bombay of the Hon'ble Mr. N. R. Pillai, Secretary to the Government of India, Department of Commerce, and discussed with him certain matters affecting the industry. The Committee met Mr. Pillai again in June.

### MEETING WITH SIR AKBAR HYDARI.

Towards the end of May, the Committee discussed in a general way, with the Honourable Sir Akbar Hydari, Secretary to the Government of India, Department of Industries and Civil Supplies, the following subjects:—

- (1) Standard Cloth Scheme;
- (2) Proposed scheme for the regulation of exports; and
- (3) The question of free insurance of marine war risk.

### MEETING WITH MR. H. M. PATEL.

Towards the middle of May, the Committee took advantage of the visit to Bombay of Mr. H. M. Patel, Joint Secretary to the Government of India, Department of Industries and Civil Supplies, and discussed with him certain proposals for the regulation of the export of cotton piecegoods which had been recommended by the Export Committee of the Textile Control Board.

### MEETING WITH THE DEPUTY CHIEF CONTROLLER OF IMPORTS.

The question of imports of Egyptian cotton was discussed in all its aspects by the Committee with Mr. P. C. Chaudhari, Deputy Chief Controller of Imports, and Mr. Kasturbhai Lalbhai at a meeting held in the rooms of the Association on 9th March 1944.

### WAR RISKS (GOODS) INSURANCE ORDINANCE.

#### RATE OF PREMIUM.

(See also pages 19 and 114 of Report for 1943.)

It was stated on page 19 of the Association's report for 1943 that the rate of premium payable under the War Risks (Goods) Insurance Scheme was reduced and fixed at As. 2 per Rs. 100 per month for the quarter October/December 1943:

The question of the rate of premium charged by Government under the War Risks (Goods) Insurance Scheme was considered by the Committee towards the middle of December. It was estimated that the fund had to its credit about Rs. 20 crores, and bearing in mind the fact that the risk of damage by enemy action was more remote than it had, at any time been since the commencement of hostilities, it was thought that Government might continue the Insurance Scheme for another year free of premium. Accordingly, a representation was made to Government in the course of which the Committee stated that they had no objection to a levy being made on the industry, if at the end of 1945-46, Government found that the amount standing to the credit of the fund was insufficient to meet the outstanding claims.

The Association was informed, towards the end of December, that the rate of premium had been reduced from the current rate of one anna three pies to one anna for every Rs. 100 per month with effect from the quarter commencing from the 1st January 1945.

### WAR RISKS (FACTORIES) INSURANCE ORDINANCE.

#### EXTENSION OF THE SCHEME.

(See also pages 20-21 and 117 of Report for 1943.)

Reference was made on pages 20-21 of the Association's report for the year 1943 to the views expressed by Sir Vithal Chandavarkar, as a member of the Advisory Committee, on the question of the extension of the War Risks (Factories) Insurance Scheme beyond 31st March 1944. Briefly stated, Sir Vithal, on the advice of the Committee, had suggested that the scheme might be extended for a further period of two years, with the premium reduced from 4 per cent. to 1 per cent., payable within a period of two years or eight quarterly instalments.

Towards the middle of March, the Government of India extended the War Risks (Factories) Insurance Scheme for one year from 1st April 1944. Government accepted the suggestion made by Sir Vithal for a reduction of the premium and fixed it at 1 per cent. of the insurable value of the property calculated to the nearest anna of each complete sum of Rs. 100. This premium was, however, made payable in four equal instalments on 1st April, 1st June, 1st September and 1st December, 1944.

The extended period was due to expire on 31st March 1945. The Committee felt that as the danger of damage to property by enemy action was more remote than ever, and as the fund appeared to have a substantial credit balance, it was thought Government might not be taking any risk by continuing the scheme for a further period of one year free of premium. If the amount standing to the credit of the fund were subsequently found insufficient to meet the claims, there would be no objection to a



premium being collected to meet the deficit. The views of the Committee in the matter were communicated to the Government of India towards the middle of December. Government have since announced the extension of the scheme up to 31st March, 1946, the rate of premium being half per cent.

### MEETING OF THE STANDING LABOUR COMMITTEE.

(See also pages 26-27 of Report for 1943.)

Reference was made on pages 26-27 of the Association's Report for the year 1943, to the first four meetings of the Standing Labour Committee.

The fifth meeting of the Standing Labour Committee took place at New Delhi on the 27th and 28th June 1944. The following subjects were discussed at the meeting:—

1. The Indian Trade Unions Act (Amendment) Bill, 1943. (Trade Unions Recognition Bill).
2. Draft Rules under the Industrial Statistics Act, 1942, for collection of statistics of trade disputes.
3. Standing Labour Committee for Coal Mines.
4. Compensation, monetary or otherwise, to workers refused leave in the interest of production.
5. Compulsory insurance of employers' liability under the Workmen's Compensation Act, 1923.

### THIRD TRIPARTITE LABOUR CONFERENCE.

The Third Tripartite Labour Conference took place at New Delhi on 27th-28th October 1944 when the following subjects were discussed:

1. Compulsory Insurance liability under the Workmen's Compensation Act, 1923.
2. Revision of the Trade Disputes Act, 1929.
3. Organisation of employment in the transition from war to peace.
4. Participation of States in Sickness Insurance Scheme for industrial labour in India.
5. Statutory machinery for fixation of minimum wages.
6. Resolution proposed by the All-India Trade Union Congress on the procedure for amendment of the Defence of India Rules affecting labour.
7. Special rations for workers doing heavy work.

Sir Vithal Chandavarkar attended the Conference as one of the representatives of the Employers' Federation of India with Mr. R. G. Gokhale, the Association's Labour Officer, as Advisers.

### STANDING ORDERS FOR LARGE INDUSTRIAL CONCERNS.

Early in February, the Employers' Federation of India, at the instance of the Government of India, Department of Labour, invited the views of the Committee on the provisions of an Order which Government proposed to issue, under the Defence of India Rule 81A making it obligatory on industrial concerns employing 250 or more persons, to frame a set of Standing Orders. The Government of India particularly asked the Federation's views on:—(i) the suitability of the draft Order; and (ii) the class or classes of industries to which it might be applied.

The Committee were in general agreement with the provisions of the draft Order, which closely followed the provisions of the Bombay Industrial Disputes Act in this respect. It was, however, thought that instead of issuing the Order under the Defence of India Rules as a war-time measure, it would be desirable if steps were taken to introduce legislation on the subject.

In a communication addressed to the Employers' Federation of India, early in September, the Government of India stated that they adhered to their view that the framing of standing orders in all concerns was urgently required, but that they had decided not to proceed at present in this matter by issuing an order under the Defence of India Rule 81A. Government proposed to enact permanent legislation on this subject at as early a date as possible, but hoped that standing orders would be framed in a large number of concerns on a voluntary basis even before legislation was enacted.

### STANDING ORDERS FOR OPERATIVES.

#### EXTENSION OF LEAVE WITHOUT NOTICE.

(See also page 28 of Report for 1943.)

Reference was made on page 28 of the Association's report for 1943 to the procedure which the Committee recommended should be followed by members in the case of workers who overstayed their leave.

The recommendation was based on an observation made by the Commissioner of Labour, who was then the authority under the Payment of Wages Act, but it was doubtful whether that was correct in view of a recent judgment given by Mr. Patkar, the present authority under the Payment of Wages Act. Mr. Patkar held that an employee who overstayed his leave would lose his lien on his job only on the expiry of the time limit indicated in sub-paragraph (3) of Standing Order No. 11, i.e., 8 days. In view of Mr. Patkar's decision, member mills were informed towards the end of October that the rubber stamp



containing the letters "L/L" should be affixed in the muster against the name of the party concerned only after the time limit indicated in the Standing Order had expired, i.e., on the 9th day following the last day of his authorised leave.

### WAR BONUS TO BOMBAY COTTON MILL OPERATIVES.

(See also page 31 of Report for 1943.)

Reference was made on page 31 of the Association's report for the year 1943 to the resolutions passed at an urgent general meeting of members of the Association held on 4th November 1943 announcing the grant of a war bonus to Bombay cotton mill workers.

The question of granting a war bonus for the year 1944 was considered by the Committee early in October 1944, and on their recommendation, the following resolutions were passed at an urgent general meeting of members held on 9th October, 1944 :—

1. (a) That a war bonus equivalent to one-sixth of their total earnings in the period 1st January 1944 to 31st December 1944 inclusive, be granted to all cotton mill workers who are on the musters of permanent and *badli* workers in member mills in Bombay City and Island on 31st December, 1944, and who continue to be on such musters till the dates of payment, with the exception of those *badli*s who have worked for less than an aggregate period of 75 days in the said period;

Provided, however, that permanent workers whose services were retrenched as a result of an agreement following a notice of change under the Bombay Industrial Disputes Act or in pursuance of the provisions of Standing Order No. 9 of the Standing Orders for Operatives in Cotton Textile Mills in Bombay, or for reasons beyond the control of the management, be considered eligible for bonus if they had put in not less than 75 days' work in the mills in the period 1st January to 31st December 1944.

(b) That bonus be calculated on earnings exclusive of dearness allowance;

(c) That, in the case of women who have been on maternity leave in the period referred to, the actual maternity allowance drawn by them be included in their wages for the purpose of calculating the bonus payable.

2. The Committee also recommend that bonus as laid down in the preceding clauses be calculated and paid to the workers in two equal instalments: the first on Saturday, the 20th January 1945; and the second on Saturday, the 24th March 1945.

Note.—The dates in paragraph 2 are subject to the operation of the scheme of staggering. If any mill is closed on any of the days referred to in clause 2, bonus will be paid on the following working day.

### DEARNESS ALLOWANCE TO BOMBAY COTTON MILL WORKERS.

(See also pages 31-32 of Report for 1943.)

The Bombay Working-class Cost of Living Index Number for the purpose of calculating dearness allowance during the twelve months ending 31st December 1944 and the approximate dearness allowance applicable in each case were as under:—

Month.	Bombay Working-class Cost of Living Index No.	Dearness allowance for a month of 26 working days.		
		Rs.	a.	p.
January	247	33	10	0
February	238	31	8	0
March	230	29	10	0
April	226	28	11	0
May	231	29	14	0
June	235	30	13	0
July	236	31	1	0
August	241	32	4	0
September	250	34	6	0
October	239	31	12	0
November	239	31	12	0
December	242	32	7	0

### DEARNESS ALLOWANCE FOR LESS THAN A DAY'S WORK.

(See also page 32 of Report for 1943.)

Reference was made on page 32 of the Association's report for the year 1943 to the Committee's recommendations regarding payment of dearness allowance in cases where less than a full day's work was put in by workers.

Towards the end of May, the position was reviewed by the Committee, and it was agreed that the recommendation made previously should not apply to cases where a full day's work was not done as a result of operatives going on strike. In cases where a full day's work had not been done on account of a strike, it was recommended that wages and dearness allowance of workers concerned for that particular day should be strictly in proportion to the number of hours put in by them on that day. For instance, if the operatives of a department stopped work at 9-30 a.m. after working for one hour, they should be paid 1/9th of their daily wages and dearness allowance and not 1/4th or 1/2 according to the custom and usage of mills. In the case of piece-workers the question of paying proportionate wages did not arise.

The attention of the Committee was drawn during the month of November to the practice followed in certain mills of giving a half holiday to night shift workers on the night preceding the holiday fixed for Gokul Ashtami as well as on the night preceding the commencement of the Holi holidays. In this connection, the question arose as to whether, and if so, to what extent, dearness allowance would become payable to the operatives for such half day's work. This question was considered by the Committee and the following recommendations were issued to members:—

- (a) Member mills should pay half day's wages and half day's dearness allowance when they granted half holiday to the night shift workers.
- (b) Member mills should, if possible, try to make up 4½ hours' work by working one hour extra during the other days in the week in which the half holiday was given so that it would not be necessary to pay at overtime rates.
- (c) If it was not possible to make up half day's work during the week in which the half holiday was given, member mills might make it up by working one hour per day overtime during the subsequent week by paying overtime wages.
- (d) Whenever member mills made up half day's work as in items (b) and (c) above, full day's dearness allowance should be paid to the night shift workers for the night on which half holiday was given.

In cases where the custom and usage in particular mills prevented them from adopting this recommendation they were asked to approach the Association for advice as to the course of action to be taken.

### FORMATION OF AN ALL-INDIA HANDLOOM BOARD.

(See also pages 60 and 215 of Report for 1941.)

Reference was made on pages 60-64 of the Association's report for the year 1941 to the appointment of a Committee to investigate certain facts relating to the handloom and mills and to the views expressed by the Committee in reply to the preliminary and detailed questionnaires issued by the Fact Finding Committee.

The Fact Finding Committee recommended, *inter alia*, the establishment of an All-India Handloom Board for co-ordinating all the efforts regarding the handloom industry.

The proposal was subsequently discussed at a conference of the representatives of Provincial Governments and States and the Handloom Committee of the Textile Control Board, which was held at Madras towards the beginning of December 1943, when the majority of the representatives present at the conference seemed to have welcomed it. The Government of India examined the proposal, and towards the end of April, invited Provincial Governments and commercial and industrial organizations to express an opinion on the following tentative proposals which Government had drawn up as the functions of the Board:—

- (a) Recommendations to the Government of India as to what proportions of the yarn available from Indian production should be supplied to each Province and State interested in obtaining yarn for handloom weaving.
- (b) Assistance to handloom weavers through recognized Associations or Provincial or State authorities in obtaining dyes, chemicals and stores, etc., at fair rates.
- (c) Consideration of the best means of marketing Indian handloom products.
- (d) Directing research measures. This would be, in the main, organising market rather than laboratory researches, and in this regard the Board would no doubt make use of the organisations already in existence in the several Provinces and States. Consideration of measures to improve production would fall naturally within the Board's purview.
- (e) The Board would assist in the administration of the grant-in-aid from the Government of India.

The Government of India also suggested that the Board might be constituted as under:—

Representatives of the Provincial Governments and handloom industry .. .. .	15
Representatives of States .. .. .	4
Representatives of millowning interests and of the yarn trade (to be nominated by the Textile Control Board) .. .. .	6

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The Government of India further considered it highly desirable that the closest contact should be maintained between the proposed Board and the Textile Control Board, and for this reason, suggested that the Textile Commissioner might be appointed Chairman of the proposed Handloom Board.

At the twelfth session of the Industries Conference at which Government decided to appoint a Fact Finding Committee, the Honourable the Commerce Member who presided, assured the representatives of the industries present that the report of the Fact Finding Committee would be placed before the Conference again before further action was taken. The Committee had no precise information as to when the report of the Fact Finding Committee was published; in any event, neither the Government of India nor the Provincial Governments appeared to have considered the recommendations made in the report and formulated their decisions thereon. From enquiries made by the Association, it transpired that some time after the publication of the Fact Finding Committee's Report, a special officer was appointed by Government to report on the findings of the Fact Finding Committee. It also transpired that

the suggestions of this special officer were considered by the representatives of Provincial Governments and States and the Handloom Committee of the Textile Control Board at Madras, and some of the recommendations of this Conference had already been implemented as, for instance, reduction in the price of yarn.

The Committee had no information regarding the circumstances under which the special officer came to be appointed by Government to report on the findings of the Fact Finding Committee, nor had they any knowledge of the nature of the enquiries made and recommendations submitted by the special officer, and so far as this Association was aware, the special officer's report did not seem to have been made available to any commercial organisation in the country. In view of the undertaking given by the Honourable the Commerce Member immediately before the Fact Finding Committee was appointed, the procedure followed by Government in dealing with the Fact Finding Committee's report was absolutely incorrect and unfair to the Indian cotton textile industry which was also vitally concerned with the findings of the Fact Finding Committee.

The position taken up by the Committee was that the Fact Finding Committee, as the name suggested, was primarily concerned with the collection of facts. What Government now sought to do was to accept these facts as correct and give effect to the recommendations which, according to the Fact Finding Committee themselves, were in the nature of peace-time measures only. The establishment of an All-India Handloom Board, constituted as suggested by Government, and with the comprehensive terms of reference proposed, was calculated to result in recommendations, having as their background the present abnormal conditions created by the war, a situation, which the Committee hoped, Government themselves did not desire to bring about.

The Committee were not unsympathetic to the handloom weaver; they agreed that all reasonable assistance should be given to the handloom weaver to obtain his *bona fide* requirements of yarn at reasonable prices; they further agreed that he should, if necessary, be given all possible assistance in marketing his cloth; what they, however, emphasised was that the supply of yarn should be looked after by the existing Provincial Government organisations with the assistance of the Textile Commissioner, and as a matter of fact this procedure already seemed to have been followed in certain Provinces.

The problem of marketing did not afford any difficulty at present, and the handloom cloth which was not subject to any control as regards maximum prices was being sold more freely and at higher rate than Indian mill-made cloth. The Committee, therefore, did not see any reason for the undue haste with which Government were seeking to give effect to the recommendations of the Fact Finding Committee without even consulting the interests concerned. The Textile Control Board with its appropriate Sub-Committees seemed to be competent to tackle the requirements of the handloom weaver in the matter of yarn, and the Committee emphasised that this arrangement should continue for the duration of the war, and that in the meantime Government should formulate their own conclusions with regard to the findings of the Fact Finding Committee and place them before the interests concerned for consideration.

The views expressed by various Chambers of Commerce, Associations and Provincial Governments came up for consideration before the Handloom Committee of the Control Board at their meeting held on 12th October 1944, when the following resolution was passed by a majority of 4 to 2, one member remaining neutral:—

"The Committee having considered the replies from Provincial and State Governments is of the opinion that the Government of India should take early steps for the formation of an All India Handloom Board on lines similar to those of the Textile Control Board."

The above resolution was subsequently placed before the Textile Control Board which approved Government's proposal to create an All-India Handloom Board. The proposed functions of the Handloom Board were also accepted subject to the proviso that the Handloom Board would not make any direct recommendations to the Government of India which would adversely affect the working of the spinning and weaving mills, and such recommendations if any, would be referred to the Textile Control Board. The Textile Control Board also accepted the view that all the handloom and power loom factories which did not come under the Indian Factories Act should come within the purview of the Handloom Board. (Appendix 5.)

#### RESTRICTIONS ON WORKING LOOMS OR LOOM HOURS.

Towards the end of December, the attention of the Committee was drawn to a notification issued by the Joint Secretary to the Government of India, Department of Industries and Civil Supplies, imposing restrictions on working looms or loom hours. Briefly stated, the notification provided that, save with the written permission of the Textile Commissioner, no manufacturer of cloth other than handloom cloth, shall work or cause or permit to be worked in his undertaking:

- (a) looms in excess of the number of looms working in the undertaking on 30th September 1944; and
- (b) Any loom for a period which in any one month exceeded the average number of hours of work per loom per month in the undertaking during the year ending 30th September 1944.

The effect of this notification was that without the previous written permission of the Textile Commissioner, no cotton mill would be permitted to increase the number of working looms or loom hours beyond the limits attained in September 1944.

There was not likely to be any increase in working looms or loom hours, except in very special cases, on account of the general unavailability of new looms and labour's unwillingness to work extra hours. Even in special cases, where this was possible, the additional quantity of yarn involved was not likely to be very substantial. In this view of the case, the notification issued by the Textile Commissioner was entirely unnecessary.

In this connection, it was also felt that the cases of mills which had been or were at present manufacturing heavy sorts like canvas, against defence requirements, deserved consideration. As soon as these orders were completed, the mills concerned would naturally like to switch back to their civilian market, and this could not be done unless they increased the number of looms or the loom hours to absorb the higher count of yarn which would be spun in place of the yarn which they were making for canvas. In this view of the case, it followed that, unless every application for extra loom or loom hours was promptly granted by the Department, the notification would create a very difficult situation for the mills.

The notification, it appeared, sought to defeat the fundamental objectives, which Government and the industry had in view when the Textile Control Board and the Cloth and Yarn Control Order were set up. Two of the most important objectives which those concerned had in view when the Textile Control Board was set up were (a) to increase the production of cloth; and (b) to bring down prices of cloth and yarn to reasonable levels. In other words, both the industry and Government had in view the production of increased quantities of cloth and their distribution at *controlled prices*. There was for the time being no control of prices so far as the handloom industry and its manufactures were concerned, and it was, therefore, difficult to understand why Government, far from seeking to increase production of mill-made goods, which could be distributed at controlled rates, now sought to put a ceiling limit to such production and increase handloom manufactures where there was no price control. It was not clear whether Government did not consider that the incentive, which was at present being held out by them for the increased production and distribution of handloom cloth, which was not subject to price-control, would not, in its turn, encourage profiteering even in mill-made cloth and drive it into the black market.

Responsible officers of Government including the Honourable Members in charge of various portfolios, had repeatedly urged on the Indian cotton textile industry the urgent need of stepping up production, and it was, therefore, difficult to reconcile these appeals with the notification now issued.

The Association was not aware of the circumstances under which the notification was issued, or of the circumstances under which Government found it necessary to issue the Order under the Defence of India Rules without apparently consulting the Textile Control Board when Government themselves considered the Textile Control Board as the official representative of the industry. It was thought that there was scarcely any justification for official action of the nature visualised in the notification, which had, for its object, the improvement in the productive capacity of the handloom industry at the sacrifice of the Indian cotton mill industry and to the ultimate detriment of the consumer of cloth in this country. A dispassionate consideration of this question and an analysis of all the figures pointed only to one conclusion, viz., that the step taken by Government was ill-advised. If, as was likely, Government's justification for the issue of this notification was scarcity of yarn for the handloom industry, the figures for the year 1943-44 disclosed that sufficient quantities of yarn were available for consumption to the handloom industry. There might, perhaps, be scarcity in particular provinces or centres, but the Committee felt that this might be due to inadequate transport or unavailability of yarn in the counts in which the handloom industry actually wanted it. Inadequacy of transport arrangement was a factor well known to Government and where difficulties arose on account of the proper count of yarn not being available, it was only a question of adjustment, and the Indian cotton textile industry might be expected to render all possible assistance in meeting the situation.

The Association has not received a reply to its representation but it is understood that, mills producing their own yarn would be permitted to increase their weaving capacity provided they released the normal surplus to the handloom weavers as they used to do hitherto, and that in the case of those mills which formerly obtained their yarn from the market, they should continue to do so without exceeding their normal purchases. (Appendix 6.)

### THE EXCESS PROFITS TAX ACT,

(See also pages 38 and 132 of Report for 1943.)

*Computation of Profits and Capital Rules.*—Reference was made on pages 38-45 of the Association's report for the year 1943 to the draft rules published by Government, which sought to provide limits up to which dearness allowances, bonuses, commissions, etc., would be admissible as business deductions for the purposes of excess profits tax and to the representation submitted by the Committee on the subject.

Subsequently, the Committee's attention was drawn to the following speech made by the Hon'ble the Finance Member in the Legislative Assembly on 24th March 1944:—

"Whilst I am on the subject, I would like to answer a query that was put to me by my Honourable friend Sir Henry Richardson, and that is in relation to the draft rules which have been published dealing with the extent to which, for excess profits tax purposes, bonuses and commissions should be allowed in computing the profits, and stocks should be included in the average capital of a business. Representations have reached me from various quarters as to the hardships that would be involved in applying such a formula to all cases, and I realise that there is some force in those representations. At the same time, the object which those rules were drafted in order to achieve is an important one. My present position is this, and I will make it quite clear. If the anti-inflationary steps which I have included in the Finance Bill are effective, as I hope they will be, for securing the desired object, then I am prepared to hold in suspense the draft rules which were contemplated under the Excess Profit Tax Ordinance, and I would not at this stage proceed further with them. If, on the other hand, we find ourselves again in a position in which drastic action has to be taken, it would be necessary to consider what further measures should be taken up. I must, however, make it clear that even though these proposals may be held in abeyance, the provisions of section 10 (2) (x) of the Income-tax Act, dealing with bonuses and commissions, section 10 (2) (xii), dealing with expenditure not wholly and exclusively incurred, for the purpose of the business, and rule 12 of Schedule of the Excess Profits Tax Act, which deals with expenses incurred that are unreasonable and unnecessary—these provisions will, of course, remain in force and will be as hitherto applied in suitable cases. That is all I have time to say in regard to the questions relating to excess profits tax and income-tax."

**Rectification and Re-opening of Assessments.**—Early in September, the Committee met Sir John Sheehy, C.S.I., I.C.S., Member, Central Board of Revenue, and Mr. C. W. Ayers, C.I.E., Excess Profits Tax Adviser to the Central Board of Revenue and discussed with them certain matters connected with the excess profits tax legislation. Representations were subsequently made to the Central Board of Revenue covering the points discussed at the meeting.

The first point raised by the Committee was in regard to the expenditure which would have to be incurred by employers in re-converting the industry to the post-war footing, especially if that expenditure had to be incurred after the E.P.T. had been removed. The Committee had suggested that Government should make it a rule that, if such conversion took place within a specified reasonable period after the termination of the war or the removal of the E.P.T. whichever was later, it should be allowed as expenditure and adjusted in the last E.P.T. assessment. Government's reply was that, if during the excess profits tax chargeable accounting periods, a mill, that was converted from its pre-war state to a state necessary to meet the demands of war-time conditions, were to be reconverted to its former state, the cost of reconversion would be allowed as a revenue expense, but that the question of expenses similarly incurred after the termination of E.P.T. was a matter to be considered with many others when providing for the termination of the tax.

The next point raised by the Committee related to the question of repairs and renewals which were due during the war, but which could not be carried out without stopping machinery, and thereby curtailing production, and which had, therefore, been deferred until the end of the war. The Committee had suggested that, where an industry had set aside a special sum for repairs and renewals, it should be allowed as a deduction for the purpose of E.P.T. even though it had not been utilised, on the understanding that, if the amount was not utilised within a reasonable period after the termination of the war, then whatever had not been utilised would be regarded as income in the last year of the E.P.T. and assessed as such. To this suggestion, the Central Board of Revenue had pointed out that deferred repairs were already provided for under section 26 (3) of the Excess Profits Tax Act, and that there was, therefore, no reason for action as proposed by the Association. The Committee did not consider this reply to be quite satisfactory, and an assurance was asked for from Government to the effect that a claim for deferred repairs would be permitted, which would allow the industry the cost of putting in the genuine spare parts which would have been used under normal conditions so that machinery could be put into the condition in which it would have been kept in normal circumstances, subject, of course, to normal wear and tear. Government's answer to this enquiry was that the Board had already given a number of directions under section 26 (3) and so far no complaints had arisen with such directions.

The third point raised by the Committee was that the return of the industry from war-time production to peace-time production might involve the scrapping of buildings, plant and machinery which had been provided as a part of the war effort. The law already provided relief in respect of any losses so incurred, but it was thought that relief should not be confined to cases where equipment was actually scrapped, but should cover also any loss of value in case where the equipment may continue in use. Government have stated that this point had been noted for further consideration.

The fourth point related to trading stock with mills, and the suggestion was that, if valuation taken for purposes of assessment in the last year of E.P.T. was not realised within a reasonable period thereafter, the assessee should be given an opportunity for reopening the last E.P.T. assessment with a view to set off the loss which had arisen from the drop in valuation. Government noted the point, but observed that its relevance depended upon the date to which the levy of E.P.T. was to be extended, and the circumstances affecting the industry then obtaining.

As the fifth point, the Committee stated that businesses might have debts owing to them from customers resident at present in enemy-occupied territories. These debts had probably been written off as irrecoverable by the assessee but disallowed in their tax assessments on the ground that it was not yet definitely known that they were irrecoverable, and that any claim would be allowed when it had been finally ascertained that such debts were bad. The Committee pointed out that these debts definitely referred to the period during which the E.P.T. was in force, but that it might not be possible to finalise such claims and get them admitted during the continuance of the E.P.T. Act. In reply to this point, the Board pointed out that the practice referred to in paragraph 116 of the Notes and Instructions on the Excess Profits Tax Act, 1940, would be followed. (Appendix 7.)

## INCOME-TAX AND EXCESS PROFITS TAX ACTS.

### BUSINESS DEDUCTION IN RESPECT OF DONATIONS MADE TO RESEARCH INSTITUTIONS SET UP BY THE TRADE.

The Chancellor of the Exchequer in the United Kingdom in his budget speech in the House of Commons made the following remarks:—

I propose also that any payment, whether for capital purposes or not, made by a trader to a central research body approved by the Department of Scientific and Industrial Research should be allowed, as and when made, as a deduction in computing the profits of the concern.

The Committee of the Association drew the attention of the Finance Department of the Government of India to the concessions announced in the United Kingdom and suggested that the donations made by individual members in response to the Chairman's appeal in aid to the Department of Chemical Technology should be allowed in computing assessable profits.

No reply has yet been received from Government. (Appendix 8.)

## INCOME-TAX ACT.

## ADMISSIBILITY OF EXPENSES IN CONNECTION WITH THE REGISTRATION OF TRADE MARKS UNDER THE TRADE MARKS ACT, 1940, AS BUSINESS EXPENSE.

(See also pages 64 and 177 of Report for 1943.)

It was stated on pages 64-67 of the Association's report for the year 1943 that the Central Board of Revenue had declined to allow the cost of registration of trade marks and other incidental expenses as revenue expense in computing assessable profits.

Counsel's opinion was taken and a member of the Association was authorised to institute a test case, which has already been heard by the Tribunal. The Tribunal's decision which has since been announced is favourable to the Association.

## LOSS BY EMBEZZLEMENT OR THEFT—ALLOWANCE UNDER THE INCOME-TAX ACT.

(See also pages 67-68 of Report for 1943.)

Reference was made on pages 67-68 of the Association's report for the year 1943 to a representation made by the Committee to the Central Board of Revenue in connection with a claim for deduction in respect of loss caused by theft, arising from the negligence of an employee.

In response to this representation, the Central Board of Revenue issued the following circular towards the end of May :

"Attention is invited to the Board's Circular No. 25 of 1939, dated 17th August 1939, in which, following the principle set out in the U.K. case of *Curtis v. J. & G. Oldfield Ltd.* (O.T.C.330), instructions were laid down regarding the allowance losses arising by theft or embezzlement by employees.

It has since been represented that these instructions do not go far enough and that a loss arising by theft by outsiders, or through negligence of employees, would not be allowed under these instructions. The Board considers that on the principle recognised in the circular quoted above, losses arising by theft of cash by outsiders or due to negligence of employees should also be allowed IF THE LOSS TOOK PLACE IN THE NORMAL COURSE OF BUSINESS AND/OR THE AMOUNT INVOLVED WAS NECESSARILY KEPT FOR THE PURPOSE OF THE BUSINESS IN THE PLACE FROM WHICH IT WAS LOST. It is impossible to lay down a more precise test than the general one which would apply to all cases and each case must be dealt with on its own facts and circumstances. In applying the general test, care should, however, be taken to see that the claim is *bona fide* and that there is unimpeachable evidence to support the actual loss. Where the Income-tax Officer is not fully satisfied on these two points the claim should be refused."

## AMENDMENT OF THE TRADE MARKS RULES, 1942.

## INCORPORATION OF A NEW RULE—RULE 86A—TO PROVIDE FOR SEARCH BY THE REGISTRAR TO ASCERTAIN WHETHER A PROPOSED TRADE MARK RESEMBLED A TRADE MARK ALREADY ENTERED IN THE REGISTER.

Towards the end of April, the Government of India published the draft of certain amendments they proposed to make in the Trade Marks Rules, 1942. One of the amendments sought to add a new rule 86A, which provided that a person may request the Registrar to cause a search to be made in respect of specified goods to ascertain whether any mark in the Register or among pending applications for registration or in the Refused Textile Trade Marks List, resembled a trade mark proposed to be introduced by him. The proposed rule further provided that the Registrar might cause a search to be made and inform the person making the application about the result of the search. The arrangement proposed by Government was fully approved by the Committee, who felt that it should be incorporated in the Rules at an early date as any person who desired to introduce trade mark would greatly appreciate information beforehand which would enable him to judge the chances of his application going through. The Committee thought that the proposed provision, which appeared to have been taken *en bloc* from the British Trade Marks Act, would not only serve to cut out the submission of applications for the registration of trade marks, which resembled trade marks already entered in the register, but would also help the applicants and those who might have to object to the application at a later date, to avoid all sorts of expenses. (Appendix 9.)

## THE INDIAN MERCHANDISE MARKS ACT.

(See also pages 49 and 146 of Report for 1943.)

*Rules for Marking of Cotton Yarn and Thread.*—Reference was made on pages 49-51 of the Association's report for the year 1943 to the views expressed by the Committee on the draft rules published by Government under section 20(1) (a) of the Indian Merchandise Marks Act for the purpose of giving effect to the provisions of section 12(2) regarding marking of cotton yarn and thread. In commenting on the draft notification, the Committee had pointed out that the proposed rules were defective in the sense that they were not quite comprehensive on account of the fact that section 12(2) was in itself defective in certain respects.

Subsequently, a Bill further to amend the Indian Merchandise Marks Act was introduced in the Legislative Assembly by the Hon'ble the Commerce Member during the 1945 budget session. The Bill was referred to a Select Committee, and as reported by the Select Committee, was placed before the Assembly on 22nd February 1945. The Bill, appears to be in conformity with the suggestions made by the Association!

*Scale of Tolerances.*—Reference was made on pages 91-93, of the Association's report for the year 1941 to the suggestions made by the Committee regarding the scale of tolerances which might be provided under the Rules which Government proposed to issue under Section 20 of the Indian Merchandise Marks Act for the marking of cotton yarn and thread. Towards the end of September 1943,



the Government of India published a draft notification proposing certain scale of tolerances and invited suggestions or objections, if any, thereon.

The Committee had nothing more to add to what they had stated on the subject in 1941, but thought that Part IV of the draft notification, which read as follows, was somewhat ambiguous.

"A trade description of count or number applied to a bundle of *folded other than two-fold grey or bleached cotton yarn made wholly of waste or dyed cotton yarn* shall be accepted as indicating length only, the hank being taken to measure 840 yards, and it shall be deemed to be false in a material respect if the average length of the hank in a bundle is less than 809 yards."

They suggested that it might be amended to read somewhat as under:—

"A trade description of count or number applied to a bundle of cotton yarn made wholly of waste, or dyed yarn, or folded yarn other than two-fold grey or bleached yarn, shall be accepted as indicating length only, the hank being taken to measure 840 yards, and it shall be deemed to be false in a material respect if the average length of the hank in a bundle is less than 809 yards."

#### AMENDMENT OF THE BOMBAY INDUSTRIAL DISPUTES ACT, 1938.

(See also pages 22 and 131 of Report for 1939.)

Towards the end of September, the attention of the Committee was drawn to certain amendments which Government proposed to make in the Bombay Industrial Disputes Act, 1938. Briefly stated, the amendments sought to empower the Government Labour Officer:

- (a) to convene a meeting of the employees within the mill premises; and
- (b) to require the employer to affix a notice of the meeting at such conspicuous places in the premises as he might order and to further require that the notice shall be so worded and contain such particulars as the Labour Officer may direct.

The success of the Bombay Industrial Disputes Act in Bombay City and Island was, to a very large measure, due to the very close co-operation which the Government and the Government Labour Officer had received from the Association. The Association had always adopted a very generous attitude in the interpretation and working of the Act, and the Committee felt that before proposing any vital amendments in the operative provisions of the Act, Government should have taken into confidence representatives of the Association as they had done on the previous occasions. Though the amendments had already been published, the Committee still felt that the objects which Government had in view in proposing these amendments could be achieved by joint discussions without bringing forward the proposed amendments.

As regards (a), so far as the Committee were aware, there had been no provocation for an amendment of this character from mills in Bombay City and Island. Permission to hold meetings had been sought from and refused by mills in Sholapur, but according to the information with the Association, the reason for this refusal was associated with the maintenance of law and order in Sholapur where the District Magistrate himself, it was understood, had issued an order prohibiting the holding of any meetings whatsoever within the city limits of Sholapur. Whatever might have been the position in the past, the situation had now changed, and to-day mills in Sholapur, it is understood, are allowing the Government Labour Officer to hold meetings within the mill premises. If this was the position, then no case for an amendment of the Act had been made out. The Committee were aware of the fact that certain Government officers had been empowered by Statute to enter private premises under certain circumstances, but the need for such powers did not arise in the case of the Government Labour Officer and the Bombay Industrial Disputes Act where the Act, which was yet in an experimental stage, was being worked with the closest co-operation of the employers.

With regard to (b), the Committee's objections were even stronger than to the proposal regarding the right of entry proposed to be conferred on the Government Labour Officer. The procedure which had so far been followed was to put up a notice in prominent places in the mill premises announcing the date and time of the meeting. If an intimation of a notice of change under section 28 of the Bombay Industrial Disputes Act was backed up by a substantial section of workers, a simple notice of meeting, as was being put up at present, was considered to be quite sufficient for all practical purposes, and there was no reason why the Government Labour Officer should be empowered to direct the employer to affix the notice of the meeting at such conspicuous place or places in the premises as he might order and why the notice should be required to be so worded and contain such particulars as the Labour Officer might direct. The object of the meeting itself, according to the Bombay Industrial Disputes Rules, was to enable the Government Labour Officer to explain the purport of the notice of change, and in this view of the case, there seemed to be no necessity of putting up a notice of meeting worded and containing such particulars as the Labour Officer might direct.

A representation was accordingly submitted to Government and this was followed up by a conference with the Hon'ble Sir Charles Bristow early in February 1945. It is not yet clear as to what Government propose to do in this matter. (Appendix 10.)

#### ADJUDICATION OF TRADE DISPUTES—RULE 81A OF THE DEFENCE OF INDIA RULES.

(See also pages 26-27 of Report for 1943.)

Reference was made on pages 26-27 of the Association's report for the year 1943 to a proposal for the amendment of Rule 81A of the Defence of India Rules so as to provide for joint adjudication of trade disputes, which formed one of the subjects for discussion at the second meeting of the Standing Labour Committee held towards the end of January 1943.

Clause (c) of sub-rule (1) of Rule 81A of the Defence of India Rules provided for adjudication or conciliation only in cases where a trade dispute had actually arisen.

In January 1943 the Government of India invited the views of employers on an amendment of Rule 81A with a view to empower the authority, to which a trade dispute was referred, to include, under certain circumstances, in the adjudication proceedings, any other undertaking in the same or a neighbouring locality, provided either the employer concerned or an association of workers applied for such inclusion.

The Committee were generally opposed to the proposal and the general attitude adopted was that the inclusion of similar undertakings in adjudication proceedings should be permitted only on a *joint application* by both the employers and the workers concerned.

The original proposal was subsequently dropped, but towards the end of March 1944, the Employers' Federation of India, at the instance of the Government of India, invited the views of the Committee on a revised draft of the amendment under which power to include a particular undertaking in adjudication proceedings was sought to be vested in Government instead of in the adjudicating authority. The revised draft also provided that the application for extension of adjudication proceedings should be made by a representative section of the workers of the undertaking instead of an association representing the workers of the undertaking as provided in the original draft.

The Committee on a review of the whole position felt that the proposal to confer the right to extend the proceedings to other establishments on the Central Government either on their own initiative or at the instance of a representative section of labour was likely to have dangerous consequences. They were, therefore, of opinion that the Federation should adhere to the position previously taken up by the employers and suggested that the principles laid down in the Bombay Industrial Disputes Act in regard to the extension of conciliation proceedings might be followed. It was suggested that the extension of adjudication proceedings might also be permitted in accordance with the views which the employers had already expressed, on a joint application by both the employers and the workers concerned. In regard to the term "representative section of the workers" used in the amendment, it was pointed out that the term was somewhat vague and that Government might be asked to lay down that the application should be made on behalf of a majority of the workers of the undertaking.

At the instance of the Employers' Federation of India the Committee reconsidered this question towards the end of November, and although they adhered to the previous view, namely, that adjudication should not be extended except on joint application of both the parties, they agreed to accept Government's revised proposal as an emergency measure.

The proposals were put into effect by the insertion of the following sub-rule after sub-rule (1) in Rule 81A of the Defence of India Rules:—

"(1A) Where a trade dispute referred for adjudication under clause (c) of sub-rule (1) has arisen only in a particular undertaking or group of undertakings, the Central Government may include in the adjudication proceedings any other undertaking either on its own initiative or on an application received in this behalf, whether a trade dispute exists at the time in that undertaking or not provided that the Central Government is satisfied

- (a) that the undertaking to be so included is engaged in the same type of industry or business as the undertaking or the group of undertakings in which the trade dispute referred for adjudication has arisen; and
- (b) that the inclusion of the undertaking in the adjudication proceedings will not materially delay the award; and
- (c) that the issues involved in the trade dispute referred for adjudication have already given rise, or are such as, in the circumstances, may reasonably be expected to give rise, to a similar dispute in the undertaking to be so included.

(1B) Where an undertaking has been included in adjudication proceedings under sub-rule (1A) the provisions of this rule and of any order or award made thereunder shall (save as may be expressly provided to the contrary in any such order or award) apply to and in relation to such undertaking as they apply to, and in relation to, any undertaking or group of undertakings in which the trade dispute referred for adjudication has arisen." (Appendix 11.)

## THE INDIAN TRADE UNIONS ACT—AMENDMENT

### RECOGNITION OF TRADE UNIONS.

(See pages 61-62 of Report for 1943.)

Reference was made on pages 61 and 62 of the Association's report for the year 1943 to a Bill to amend the Indian Trade Unions Act, 1926, with a view to provide for the compulsory recognition of trade unions under certain conditions. The Bill was circulated for eliciting public opinion thereon, and towards the beginning of February 1944, the Association was requested to offer its views on the proposals incorporated in the Bill.

The Committee reiterated the views expressed by them in 1942. Briefly stated, the position then taken up by the Committee was that an employer should not, under any circumstances, be compelled by statute to recognise unions. The Committee had also pointed out that, where a trade union consisted of *bona fide* workers, was managed by representatives of workers, adopted strictly trade union methods in securing redress of its members' grievances, and was, further, in a position to impose its will upon its members in securing the due observance of all the agreements and undertakings given by it in its negotiations with employers, and was, in addition, thoroughly representative of labour, recognition by employers would follow without any compulsion being necessary. It was also maintained that recognition was not a fit subject for legislation, and the proper time to go into these matters would be when the war was over and when the normal conditions had been restored.

According to the statement of objects and reasons appended to the Bill:—

"Trade disputes often occur or are prolonged because an employer refuses to recognise the trade union of his workers."



The Committee did not know what the state of affairs was in the rest of India, but so far as the Bombay Province was concerned, the statement was not correct. In spite of the Bombay Industrial Disputes Act and the Orders under the Defence of India Rules, both of which prohibited illegal strikes, the records of the Industrial Court showed that in the four and half-years in which the Bombay Industrial Disputes Act had been in operation, there had been as many as 46 strikes declared illegal by that Court, not taking into account the very large number of individual stoppages of work which had taken place but had not been reported to the Industrial Court, and in this respect, the experience of other provinces was not likely to be any better: this, in spite of the fact that the B.I.D. Act provided for a suitable medium for investigation and rectification of workers' grievances. In the Committee's view, what labour needed at the moment was good leadership, and unless this was made a condition precedent to any recognition, the Bill would fail in its object, and cessations of work would continue. The illiteracy of workers in general had rendered them a tool in the hands of a few designing agitators, and in the hands of such people, the privilege which Government proposed to confer by this Bill would, it was thought, be of doubtful utility to labour itself.

Turning however to the present Bill the following comments were made:—

Government proposed to appoint a Board of Recognition consisting of one representative of Government, one representative of the employers and one representative of workmen whose duty it was to receive applications for recognition, to investigate such applications and report to Government about the unrepresentative character of a union. The Committee suggested instead, the establishment of a Court on the lines of the Bombay Industrial Court with a presiding judge drawn from the High Court of Judicature.

It was proposed that applications for recognition should be made to the Board or if no Board had been appointed, to the Registrar. The Committee suggested that application for recognition should be made to the Industrial Court. There was no objection to the Registrar receiving the application, but the Committee thought that the disposal of the application must be by the Industrial Court.

It was proposed that a trade union should not be entitled for recognition unless it was among other things, a "representative" trade union. It was not clear as to what the expression "representative" meant, but sub-clause (2) stated that no trade union should be deemed to be a representative union for the purpose of clause (e) of sub-clause (1), unless it satisfied such other conditions as may be prescribed. In other words, Government were leaving over a very vital issue to be covered by the Rules, a position which the Committee felt was extremely unsatisfactory. The Committee did not see any reason why a definition should not be incorporated in the Act itself, and in this connection, attention was invited to the definition of the expression "representative" in the Bombay Industrial Disputes Act which, the Committee thought, offered a very fair basis, and should be incorporated in the proposed Bill.

It was proposed that recognition granted to a trade union should be withdrawn by the appropriate Government if, for instance, a member or members of the trade union had taken part in an illegal strike. The term "illegal strike," however, was not defined. The Committee also suggested the incorporation of the following additional grounds in the list given by Government under any of which the recognition of a union could be withdrawn:—

- (a) If any of the conditions governing the grant of recognition were broken by the union;
- (b) If the union encouraged or participated in a strike called by an unrecognised or unlawful organisation;
- (c) If the union directly or indirectly encouraged or countenanced subversion of internal discipline in the mills;
- (d) If the union engaged in trade union activities on employers' premises except to the extent mutually agreed upon between the union and the employers or their organisations.
- (e) If the union is unable to give effect to an agreement negotiated by it with the employers or their organisations; and
- (f) If the members of the union fail to carry out the lawful orders given by the executive of the union.

In regard to the rights of recognised unions, it was proposed that the executive of a recognised union should be entitled to negotiate with employers in respect of matters affecting the common interest of the members of the trade union. The Committee felt that the expression "common interest" was too wide, and suggested that negotiations should be confined to industrial matters as defined in the Bombay Industrial Disputes Act.

The Bill was also discussed at one of the meetings of the Standing Labour Committee held towards the end of June, 1944, but no final decisions were taken.

A motion for referring the Bill to a Joint Select Committee of the Assembly and of the Council of State appeared on the agenda of the November Session of the Central Legislative Assembly, but the Hon'ble the Labour Member, Dr. Ambedkar, stated, on the floor of the House, on 14th November 1944, that he did not propose to make the motion. (Appendix 12.)

## THE PAYMENT OF WAGES ACT, 1936.

### A BILL FURTHER TO AMEND.

A Bill further to amend the Payment of Wages Act, 1936, was introduced by the Hon'ble Dr. B. R. Ambedkar in the Legislative Assembly on 1st November 1944. On 16th November, Government moved the appointment of a Select Committee to report on the Bill, but Mr. N. M. Joshi's amendment to

circulate the Bill for the purpose of eliciting public opinion was accepted by the House, and towards the end of December, the Association was requested to offer its views on the Bill.

The provisions of the amendment Bill were examined by the Committee and the following views were offered in regard to some of the more important clauses.

**Clause 2—Definition of expression "wages."**—According to this clause, it was proposed to amend the existing definition of the word wages. The existing definition and the proposed amendment read as follows:—

*Existing Definition.*

(vi) "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 and any sum payable to such person by reason of the termination of his employment, but does not include—

- (a) the value of any house-accommodation, supply of light, water, medical attendance or other amenity, or of any service excluded by general or special order of the Provincial Government;
- (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."

*Proposed Amendment.*

(vi) "Wages means all remuneration, capable of being expressed in terms of money earned under the terms of his contract of employment, express or implied, by an employed person in respect of his employment or of work done in such employment, and includes any sum earned as overtime pay, bonus or additional remuneration for increased output or any other additional remuneration of the nature aforesaid, and any sum payable to such person to counteract abnormal economic conditions or by reason of the termination of his employment, but does not include—

- (a) the value of any house accommodation, supply of light, water, medical attendance or other amenity or of any service excluded by general or special order of the Provincial Government;
- (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 employed person to defray special expenses entailed on him by the nature of his employment; or
- (e) any gratuity payable on discharge."

The proposed amendment seemed to draw a distinction between "overtime pay, bonus or additional remuneration for increased output or any other additional remuneration of the nature aforesaid" and dearness allowance (i.e., any sum payable to counteract abnormal economic conditions, etc.). In the case of bonus, etc., the expression used was "earned under the terms of his contract of employment," which meant that overtime pay and bonus would become payable if—and only if—they were earned, i.e., if the conditions attached to the payment of overtime pay, bonus, etc., were fulfilled by the operatives concerned. In the case of dearness allowance, however, the expression used was "any sum payable" which was likely to be interpreted by the operatives that dearness allowance would become payable regardless of the terms and conditions on which dearness allowance was paid. The Committee pointed out that the quantum of dearness allowance in Bombay was linked up with the number of days on which the operative concerned was actually at work. The Committee were anxious to ensure that the amendment should not be interpreted to mean that this dearness allowance would become payable irrespective of the number of days put in by the operative.

The Committee felt that the expression "any other additional remuneration of the nature aforesaid in the proposed definition" was unnecessary. All possible categories of remuneration which a worker would earn under the terms of his contract of employment were already specifically covered in the proposed definition, and the Committee felt that an unspecified and vague reference to any other additional remuneration was undesirable as it might in future lend itself to unnecessary complications. The Committee, therefore, suggested that the words "any other additional remuneration of the nature aforesaid" be deleted from the proposed amendment.

**Clause 3—Amendment of section 5(2) of the Payment of Wages Act.**—This clause proposed to amend the existing sub-section (2) of section 5 of the Payment of Wages Act as follows:—

*Existing Sub-section (2) of Section 5:*

"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."

*Proposed Sub-section (2) of Section 5:*

"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 third day from the day on which his employment is terminated."

The Committee felt that if the amendment were accepted, it would mean that an employee whose services had been dispensed with would have to be settled and paid off before the expiry of the third day irrespective of whether it was a working day or not. The Committee pointed out that in the case of *Holi* and *Diwali*, mills in Bombay were being closed for three days at a stretch, and it would not be possible for them to pay the wages of discharged workers on these days. The Committee, therefore, preferred the continuance of the present system whereby payment was made not later than the second working day. It appeared from the notes on clauses appended to the Bill that the amendment was made to suit the conditions of seasonal factories and factories that closed down, and the Committee, therefore, suggested that if Government desired to meet these special cases, the present section 5(2) might be allowed to remain as it is, viz., retaining the words "second working day" in the sub-section, and the case of seasonal factories, etc., might be met by an altogether new sub-clause.

**Clause 4—para 3.**—This clause proposed to introduce a new sub-section in Section 7 of the Payment of Wages Act, reading as under:—

"(3) Where the wages for any employment are on an incremental basis, the increments of any employed person may for disciplinary reasons be withheld or his wages may for like reasons be reduced to a lower stage in the scale, provided that in the latter case he shall be given such period of notice of such reduction as is not less than the period of notice required to be given him under his contract of employment for the termination of his employment."

From the notes on clauses attached to the Bill, it appeared that this amendment had been necessitated by a decision of the Sind Chief Court, according to which temporary reduction of an employee from one step in an incremental scale to another amounted to a "deduction" within the meaning of the Act. The Committee's objections to this clause were of a two-fold character, namely, first the expression "on an incremental basis" was vague; any employment where there was any prospect of financial improvement might be described as on an incremental basis, and second, the expression "for disciplinary reasons" was also not very clear.

The Committee pointed out that if the intention was to make the withholding of an increment illegal except in cases of a breach of discipline on the part of the employee, then, the employer was precluded from withholding the increment on other grounds, namely, slackness, failure to take increased responsibility, etc. The employer was justified in linking a particular wage with a particular standard and in withholding increments if that particular standard was not maintained, and in this view of the case, the Committee desired to point out that the scope of the amendment should be widened with a view to making the withholding of increments for reasons other than disciplinary reasons, legal under the Act.

*Clause 4—para 4.*—This clause proposed to introduce a new sub-section to Section 7, which read as follows:—

"(4) Where an employed person is required to perform a class of employment involving a standard of skill or responsibility lower than that involved in the employment in which he is employed for the time being, any diminution in wages by reason of such lower standard of skill or responsibility shall be deemed not to be a deduction from wages for the purposes of this Act."

The Committee accepted the principle underlying the amendment but suggested that the clause be amended to include diminution in wages consequent upon the failure of an employed person to improve or maintain the standard of work which is expected of him. (*Appendix 13.*)

## HOLIDAYS WITH PAY FOR WORKERS IN NON-SEASONAL FACTORIES

### PROPOSED AMENDMENT OF THE FACTORIES ACT, 1934.

(See also pages 91 and 228 of Report for 1942.)

Reference was made on pages 91-92 of the Association's report for the year 1942 to the views expressed by the Committee on the draft Bill to amend the Factories Act for the purposes of securing holidays with pay for workers.

On 3rd April, 1944, the Hon'ble Dr. B. R. Ambedkar introduced in the Legislative Assembly a Bill to further amend the Factories Act, 1934. Briefly stated, the Bill sought to:

- (a) provide for the grant of compensating holidays against the loss by worker of his weekly holidays as a result of any order or rule made under the Factories Act;
- (b) confer on workers in perennial factories the benefit after a year's service, of at least 7 consecutive holidays, of which at least 6 would be paid for.

There could hardly be any objection to the principle underlying the proposed provision for the grant of compensatory holidays in ordinary cases, but it might not be possible to comply with this requirement in the case of employees holding key positions. If, however, the position was that such employees as also those holding positions of a supervisory nature would be exempted from the scope of this amendment, then, there was nothing much to be said about it.

On the general question of granting to industrial workers annual holidays with pay, the views of the Committee had been placed before Government on several occasions in the past. In short, the Committee felt that, while holidays with pay would increase the cost of production, there would be no corresponding benefit to the workers, who, it was thought, would take, as they always did, long holidays during the year to go to their villages, and therefore, the need for a paid holiday to provide for a certain period of absolute rest had not been made out. The Committee still adhered to this view.

Moreover, it was only in February 1944 that Government appointed a Committee to collect data on various labour matters, the intention being that on receipt of the required statistics, Government should appoint a mixed committee to formulate plans of social security. This Committee had not yet completed their work, and the Committee of the Association expected that no measure of social security would be launched by Government until this committee had reported and until the mixed committee proposed by Government had gone into the whole question and submitted their recommendations.

Since, however, it appeared from the Bill that Government had made up their mind in this matter, the Committee, without prejudice to the position taken up by them in the past, submitted the following observations on the various clauses of the Bill, but it was pointed out very clearly that, by doing so, it did not by any means follow that they had waived their basic objections to the Bill itself and to the piecemeal introduction of labour legislation regardless of the procedure indicated by Government at one of the recent Labour Conferences.

Clause 1, sub-clause (2) provided that the measure shall come into force in a Province on such date as the Provincial Government may notify. The Committee did not understand why option in this matter should have been left to Provincial Governments. It was of the utmost importance that there should be uniformity in this respect, and the Act should, therefore, be given effect to in all Provinces simultaneously at such time as the Central Government might decide.

Proposed section 35(A) (2) empowered Provincial Governments to make rules prescribing the manner in which compensatory holidays should be allowed. It was suggested in this connection that suitable instructions should be sent to Provincial Governments to ensure that, before framing rules in this regard, the circumstances obtaining in individual factories or group of factories were taken into consideration.

Proposed section 49B laid down that holidays for a period of *at least* seven consecutive days should be allowed. The Committee pointed out that it should be clearly understood that the period referred to was the maximum and not the minimum, and the words "at least" should be deleted. If this amendment were not made, it was quite conceivable that some Provincial Governments might make it obligatory to grant more than 7 days.

Proposed section 49B with sub-section and explanations read together prescribed the conditions precedent to the grant of annual leave. The worker was allowed to accumulate his annual leave up to a period of 7 days. What constituted continuous service had also been defined. For instance, there would be no break of service if the worker was absent on account of sickness, accident or authorised leave or due to a lock-out. In other words, a worker might be on authorised leave without pay for a period of six months, but still he would be entitled to the annual leave with pay for 7 days. The current practice was that sick leave was obtained not on the basis of any medical certificate, but by simply passing on information through a friend that the worker concerned was ill, though he might not really be ill. This intimation had so far been accepted as sufficient excuse for the worker's absence, and leave had been granted; if, however, the proposed provisions were brought into operation, it would mean that workers would only be adding seven days' leave with pay to a long period of absence, officially described as being due to illness. In this view of the case, it was pointed out that any authorised or unauthorised absence extending to more than 12 days in the aggregate in the year should be regarded as break of service.

The expression "lock-out" used in the proposed clause was somewhat nebulous. Lock-out might follow an illegal strike, and it was necessary that it should be clearly laid down that if the closure of the factory was due to the illegal strike of the operatives, that should be regarded as a break of service.

It was also pointed out that the expression "illegal strike," should be defined. The reason why emphasis was placed on this point was that the Bombay Industrial Disputes Act only covered stoppages arising from an industrial matter. The Defence of India Rules covered stoppages from trade disputes, but there was sufficient evidence in the Indian Trade Disputes Act to show that the Act covered only *bona fide* trade disputes, and would have no application whatsoever to cessation of work for reasons connected with *hartals*, etc. The Committee, therefore, emphasised that if there was a stoppage of work in the factory for any reason whatsoever without giving reasonable notice to the employer and before taking reasonable measures for bringing about a settlement, the operatives guilty of such cessation of work should lose their right to annual leave with pay.

It was also pointed out that the section did not describe the position of women workers on maternity leave, but it was presumed that women on maternity leave would not lose their right to annual leave.

Another point which the proposed Bill did not make it clear was the exact date on which leave with pay should commence. This was a very important matter, and unless it was made clear that employers had the right to grant leave after consulting the exigencies of the factory, most of the employees would be asking for their annual leave on particular seasons of the year to the detriment of production in the factory.

The Bill did not contain any specific provision prohibiting a worker to accept any remunerative work when on a paid holiday, and it was pointed out that this defect should be remedied, as the object of the legislation might be defeated if the worker was free to accept other employment.

On 7th November 1944, at the instance of the Hon'ble Dr. Ambedkar, the Bill was referred to a Select Committee. The Select Committee met towards the middle of February and made certain amendments in the Bill. It is understood that the Bill as amended by the Select Committee might come up for discussion during the Budget Session of the Assembly. (Appendix 14.)

#### SICKNESS INSURANCE.

(See also pages 62 and 169 of Report for 1943.)

Reference was made on pages 62/63 of the Association's report for the year 1943 to the questionnaire issued by Professor Adarkar, who was appointed by the Government of India for preparing a rough scheme of sickness insurance for industrial workers. Towards the end of October, Professor Adarkar submitted his report to Government. The report is at present under consideration.

#### THE INDUSTRIAL STATISTICS ACT, 1942.

(See page 98 of Report for 1942 and also page 64 of Report for 1943.)

Reference was made on page 98 of the Association's report for the year 1942 to the Industrial Statistics Act, which was passed by the Legislative Assembly on 3rd April 1942. The Act was brought into force in the Province of Bombay on 1st March 1943, and subsequently the Government of Bombay appointed the Director of Industries as the Statistics Authority for the Province.

Towards the middle of February, the Government of Bombay published for criticism a draft rule which they proposed to issue authorising the Statistics Authority to serve on any person

connected with a factory with a notice in writing requiring such person to furnish to him annually on or before the 30th April in each year a return in accordance with the prescribed form containing the specified particulars.

The draft rule provided for collection of detailed information under the following general heads :—

*Section I.*—Capital invested :—(i) Block account ; (ii) working capital ; and (iii) non-productive assets.

*Section II.*—Industrial production.

*Section III.*—Raw materials used for the manufacture of articles produced by an undertaking.

*Section IV.*—Power machinery and cost of energy.

*Section V.*—Industrial employment.

According to the phraseology used in the Act, Government were competent to call for detailed information which they had set forth in the draft rule, but it was never the intention of Government spokesman in the Central Legislative Assembly to collect statistical data of a detailed character, as set forth in the draft rule, nor was it the intention of the Assembly, when they passed the Bill, that the information, in the form proposed by Government, should be collected every year. In this connection it will be remembered that in the course of the debate on the Bill in the Central Legislative Assembly, Mr. Gwilt moved an amendment reading as under :—

" Provided that if such information or returns have already been furnished in such forms and with such particulars to another authority duly appointed by the Provincial Government such persons shall not be required to furnish such information or returns to the Statistics Authority, but shall inform him as to the authority to whom he has already furnished such information or returns."

and the Honourable the Commerce Member, referring to this amendment, had stated :—

" I may at once say that I am in sympathy with the underlying purpose of this amendment but I am unable to accept it, for a simple reason. My Honourable friend said that if the precise information is conveyed already in some other return, the same information need not be asked for under this Statistics Act. The difficulty is to judge what that precise information is and whether the information already conveyed by some other return is precisely the same as that which is required under this Act. But I am prepared to go as far as this. The Central Government propose to send instructions and directions to Provincial Governments as to the nature of the statistics that will be required. We hope to prescribe certain forms in consultation with various authorities and those forms will be the forms which have to be filled up. We propose also to suggest that in those forms if the precise kind of information that we require has already been submitted by any of those factories under any other Act, permission may be given to the factory owner to say that this information has been submitted in such and such return."

The last sentence of the above quoted extract was very important for, in the case of organised industries, most of the information proposed to be called for was already being submitted to one or the other of the Government Departments, and in order to avoid duplication, instructions on the lines indicated by the Honourable the Commerce Member should be printed in bold types on the Statistical Enquiry Form, circulated by Government.

Mr. Gwilt withdrew his amendment on the strength of the assurance given by the Honourable the Commerce Member. So far as the cotton textile industry was concerned, the information asked for under section I of the proposed rule was already contained in the audited balance sheets of companies sent to the Registrar of Joint Stock Companies every year, and the information asked for in section II was available in the statistical returns sent to the Collector of Customs every month. The information asked for in section III was partly contained in the balance sheets and partly in the statistical returns sent by mills to the Indian Central Cotton Committee. Some of the information required in section IV in regard to power machinery, etc., was available with the Government Electrical Inspector, and the information relating to energy costs and consumption of energy could easily be supplied by the power companies. The object of asking the information relating to the cost of power was not clear to the Committee.

It was not clear to the Committee as to whether and, if so, in what form Government proposed to publish a summary of the returns collected. In this connection, the important point was that, before the results were published, the interests concerned should be consulted about the form of publication. In this connection, the point which the Committee desired to make was that India's competitors in the textile industry had never published any information relating to the capacity or other details of their industry, and it was felt that, as far as possible, the Government of India and the Government of Bombay should avoid placing all the details in regard to the textile industry in the hands of its competitors.

The Act provided for secrecy in the matter of returns submitted, but it was felt that the necessity of ensuring absolute secrecy in regard to information relating to individual mills might be impressed upon the officers concerned.

The rule was finally published in the *Bombay Government Gazette* on 31st March 1944, but none of the suggestions put forward by the Association were accepted. The matter was, therefore, taken up with the Government of India, and in a communication received towards the middle of August, the Industrial Adviser to the Government of India stated that the following procedure would be followed in regard to the collection of industrial statistics :—

- (a) A comprehensive questionnaire would be circulated to all Provincial Governments and they would be advised that collection of statistics might be simultaneously started in all Provinces on the basis of a uniform questionnaire.
- (b) Though Government had no legal powers to extend the Act to the Indian States, efforts would be made to achieve the best possible results in this respect.
- (c) Only essential information would be called for, but as statistics under the Act was being collected for the furtherance of industrial development, this aspect of the questionnaire must take precedence of the preferences of individual industries or groups.

- (d) The returns were to be submitted only once a year, and once the questionnaire was answered satisfactorily for the first time there would be no difficulty in filing in similar returns in future years.
- (e) The supply of blank forms to mills was under the consideration of Government.

## PATENTS AND DESIGNS ACT.

### RENEWAL OF REGISTRATION OF DESIGNS.

Towards the middle of October, the attention of the Committee was drawn to the provisions of the Patents and Designs Act, under which the Controller of Patents and Designs had no discretionary powers to enlarge the time limit prescribed by the Act for the purposes of renewal of a registered design. It would appear that a member of the Association, who had registered under the Patents and Designs Act certain designs used by him on cloth, had omitted to renew the registration before the expiry of the time limit. The Controller of Patents and Designs, when approached in this behalf, pointed out that he had no authority under the Act to extend the time limit prescribed for purposes of renewal. The member concerned, thereupon, enquired whether it would be open for him to make a fresh application for registration of the designs, such fresh registration dating from the date of such fresh application. In reply, the Controller was reported to have pointed out that "registration can be effected only in respect of designs which are new or original and not previously published in British India. A design which has been previously registered cannot be regarded as satisfying this condition and as such cannot be registered afresh."

The Committee felt that, as the general discretionary power to enlarge the time limits granted to the Controller under Rule 87 of the Indian Patents and Designs Act, did not apply to the time limits prescribed in the Act itself, the decision given by the Controller was correct. The matter was, therefore, taken up with the Government of India, Department of Industries and Civil Supplies, and their attention was drawn to section 16, Part I of the Patents and Designs Act, which conferred on the Controller, under certain circumstances, discretionary powers in renewing patents even if applications for renewal were not made in time. The Committee suggested that provisions similar to section 16 might be incorporated in Part II so as to extend to owners of registered designs, the same facilities which were at present afforded to owners of patents. In view of the importance of registered designs to industrial concerns, the Committee requested the Government to look into the matter and make the necessary amendment at an early date. (*Appendix 15.*)

## THE BANKING COMPANIES ACT, 1945.

On 16th November 1944, the Hon'ble Sir Jeremy Raisman, the Finance Member, introduced in the Legislative Assembly a Bill to consolidate and amend the law relating to Banking Companies.

According to the statement of objects and reasons appended to the Bill:—

"The provisions of law relating to banking companies at present form a subsidiary portion of the general law applicable to companies and are contained in Part XA of the Indian Companies Act, 1913. These provisions, which were first introduced in 1936 and which have undergone two subsequent modifications, have proved inadequate and difficult to administer. Moreover, while the primary objective of Companies Law is to safeguard the interest of the stock-holder, that of banking legislation should be the protection of the interests of the depositor. It has therefore been felt for some time that separate legislation was necessary for the regulation of banking in India. This need has become the more insistent on account of the considerable development that has taken place in recent years in banking, especially the rapid growth of banking resources and of the number of banks and branches. The enactment of a separate and more detailed Act has in consequence now become imperative. Regard must also be had to the fact that the banking system is likely in the post-war period to be more vulnerable by reason of the great expansion, both quantitatively and relatively, that has taken place in demand deposits, as compared with time deposits, during the war years.

2. The provisions of Part XA of the Indian Companies Act, which part will now be repealed, are incorporated in the Bill with certain modifications and the addition of several new provisions designed to safeguard the interests of depositors and to ensure the development of banking in India on sound lines. The main features of the Bill are as follows:—

- (i) A simple definition of banking with the object of limiting the scope of the legislation to institutions in which the funds are deposited primarily to ensure their safety and ready withdrawability;
- (ii) Prescription of minimum capital standards;
- (iii) Prohibition of trading with a view to eliminating non-banking risks;
- (iv) Inclusion in the scope of the legislation of banks incorporated or registered outside British India;
- (v) Provision of an expeditious procedure for liquidation;
- (vi) Inspection of the books and accounts of a bank by the Reserve Bank when necessary;
- (vii) Empowering the Central Government to take action against conducting their affairs in a manner detrimental to the interests of the depositors;
- (viii) Prescription of a special form of balance sheet and conferring of powers on the Reserve Bank to call for periodical returns."

A motion for circulating the Bill for eliciting opinion thereon was accepted by the Legislative Assembly on the 20th November 1944, and the Association was subsequently invited to express an opinion on the provisions of the Bill.

Clause 16 of the Bill provided that no banking company shall make any loans or advances on the security of its own shares, or grant unsecured loans or advances to (1) its Directors or (2) to firms or companies in which it or any of its Directors was interested as partner, director or managing agent. The Committee were in agreement with the restriction contained in the first part of the clause, but felt that the second restriction was undesirable. They pointed out that the restriction would mean that many of the industrial firms would not be able to get financial assistance of the kind indicated in the clause inasmuch as the directorates of many banks consisted of leading industrialists. It was, therefore, suggested that the provisions restricting advances or loans to firms in which directors of the banks were interested be deleted.



Clause 21 of the proposed Bill required every banking company to submit, within 30 days after the close of each calendar year, a return to the Reserve Bank of all accounts in British India which had not been operated upon for ten years giving particulars of the deposits standing to the credit of each such account. From the notes attached to the Bill it appeared that the intention in asking for such returns was to enable the Reserve Bank to have the necessary data for the consideration of the question whether deposits remaining unclaimed for a prescribed period should be transferred to Government making it responsible for meeting any claim which might be established in future. The Committee opposed this suggestion in principle and felt that the banks holding such deposits should be allowed to retain it in their hands for any length of time. (*Appendix 16.*)

#### AMENDMENT TO THE INDIAN COMPANIES ACT, 1913.

On 31st March 1944 Mr. Govind V. Deshmukh introduced, in the Legislative Assembly, a Bill further to amend the Indian Companies Act, 1913.

The statement of objects and reasons appended to the Bill read as under:

"Section 86F was enacted to ensure honesty of dealings on the part of a company's director and to secure the interests of the company. However, it has been found that the provision is not enough to achieve this object. Instances have occurred, where a director who infringed this provision managed to get elected director of the same company. The present section 86F which provides that the office of such a director shall be vacated does not act as a strong deterrent against any infringement of section 86F. The object of the present amendment is to provide such a deterrent by rendering him ineligible for election as a director of the company for a number of years and imposing a heavy fine on him."

The proposed amendment sought to add a new sub-section to the present section 86F. Section 86F, as proposed to be amended, read as under:

86F. (1) Except with the consent of the directors, a director of the company, or the firm of which he is a partner or any partner of such firm, or the private company of which he is a member or director, shall not enter into any contracts for the sale, purchase or supply of goods and materials with the company, provided that nothing herein contained shall affect any such contract or agreement for such sale, purchase or supply entered into before the commencement of the Indian Companies (Amendment) Act, 1936.

(2) Any director of the company acting in contravention of sub-section (1) shall be deemed to have vacated his office as a director of the company as from the date of such contravention and shall not be eligible for being elected a director of the company for a period of five years thereafter and shall also be punishable with fine which may extend to Rs. 1,000."

The Committee felt that there might be cases where a director might have been, through inadvertence, guilty of a technical breach of section 86F, and in such cases, the punishment proposed appeared to go far beyond the actual necessities of the case, for by debarring a person from holding the office of a director for a period of five years, the company or companies concerned would be inconvenienced especially if the director concerned were a technical person. In large commercial centres, where the managing agency system prevailed, and where the directors of one company were also directors of other companies, the proposed amendment was likely to lead to serious complications and unnecessary hardship, and if accepted, it was not only a question of one company being inconvenienced, but several companies being deprived of the advice of one of their directors for a period of five years. It was thought that the surest remedy in all such cases lay in the hands of the shareholders themselves, who might refuse to re-elect a director who, in their opinion, was dishonest. The views of the Committee were communicated to the Government of India. No further progress has so far been made with the Bill. (*Appendix 17.*)

#### THE PUBLIC DEBT (CENTRAL GOVERNMENT) BILL.

(See also pages 58 and 155 of Report for 1943.)

Reference was made on pages 58-59 of the Association's report for the year 1943, to the views expressed by the Committee on the Public Debt (Central Government) Bill introduced in the Legislative Assembly by the Honourable Sir Jeremy Raisman, Finance Member.

On 1st November 1944 the Bill was referred to a Select Committee whose report was taken into consideration on 13th November 1944, and was finally passed on 15th November 1944.

#### AMENDMENT TO THE INDIAN ELECTRICITY RULES.

Towards the end of August, the attention of the Committee was drawn to certain amendments made to the Indian Electricity Rules, 1937, which, among other things, provided that:

"A consumer supplied with energy at high pressure shall provide and maintain a locked weatherproof and fireproof enclosure of agreed design and location for the purpose of housing the licensee's terminal high pressure apparatus and metering equipment. This enclosure should preferably be in a separate building to the consumer's sub-station or installation but where this is not feasible, the licensee's terminal high pressure apparatus and metering equipment shall be completely segregated from any other part of consumer's apparatus by fireproof walls."

The prescribed conditions were such that the existing sub-stations and apparatus could not be modified to meet these requirements unless completely reconstructed. The Committee did not question the propriety of the conditions so far as new installations were concerned, but felt that they should not be made applicable to existing sub-stations and equipments. They also suggested that a committee of experienced practical engineers might be appointed to help the Government inspectors in deciding which modifications were absolutely essential and in granting exemptions in cases where it was not practicable to comply with the new requirements.

In a reply received towards the end of January, 1945 the Government of Bombay stated that it was not possible to give a general exemption as suggested by the Committee, but stated that each case would be dealt with and exemptions granted as and when necessary. Member mills were, therefore, advised in terms of Government's communication. (*Appendix 18.*)

## DEVELOPMENT AND CONTROL OF ELECTRICITY SUPPLY INDUSTRY.

### RECOMMENDATIONS OF THE POLICY COMMITTEE.

Towards the end of September 1943 the Government of India set up a new organisation—the Reconstruction Committee of Council—to lay down the general policy in respect of post-war re-settlement, re-employment, disposals and post-war development of India's resources. It was proposed to divide the problems of reconstruction under the following heads:—

- (i) Re-settlement and Re-employment.
- (ii) Disposals, Contracts and Government Purchases.
- (iii) Public Works and Communications.
- (iv) Trade and Industry.
- (v) Agriculture, Forestry and Fisheries.

It was also proposed that the preparatory work on each of these subjects should be dealt with by separate committees. In regard to item (iii) three separate Policy Committees were set up. The task of one of such Committees, designated as the Policy Committee No. 3-C, was to study the problems connected with electric power and to make recommendations on the best way of solving them.

At a meeting of this Committee held in New Delhi on 25th October 1943, the question of future development and control of electricity supply industry was discussed, and the discussions led to the recording of the following resolution embodying the measure of agreement reached at the meeting:—

"This meeting recommends that the further development of electricity supply in India be actively pursued as a State or quasi-State enterprise and that steps be taken to eradicate any factors in the present system which retard the healthy growth of electrical development in the Provincial, State and Local Authority owned undertakings as well as the commercially owned undertakings."

The Government of India proposed to convene another meeting of this Policy Committee, the agenda of which included, *inter alia*, the above recommendation and certain principles for the control of public utility electric supply finance. The views of the Committee on the subject were invited by the Government of Bombay towards the end of November.

The Committee were of opinion that there was no justification for the recommendation embodied in the above resolution that further development of electricity supply in India should be actively pursued as a State or quasi-State enterprise. The experience of the member mills of the Association was that the service rendered by privately managed supply companies in Bombay had been entirely satisfactory. The Committee, therefore, felt that it was unlikely that State or quasi-State managed enterprises would be as efficient as the privately managed concerns, and they apprehended that an attempt might be made to subsidise the losses from the proposed extensions into rural areas out of the charges made to industrial consumers in urban areas.

The Committee carefully examined the reasons which led the Policy Committee to pass a resolution recommending State or quasi-State enterprise for the further development of electricity supply and submitted that State or quasi-State ownership was not necessary to overcome the difficulties or rectify the defects which were supposed to exist in the present system. Briefly stated, the opinion expressed by the Committee was that the development of electricity should be left to private enterprise under the control and supervision of Government. Even in cases where on account of the fact that new hydro-electric schemes were to be put into effect, affecting large areas, and where due to the fact that other problems such as irrigation, flood control, navigation, etc., had to be considered, Government contemplated State management, the Committee were of opinion that the distribution work should be left to private enterprise.

The Committee had no opportunity to examine in detail the principles recommended for the control of public utility electric supply finance. They, however, agreed that definite provisions should be made in the regulation of public utility electric supply finance with a view to see that both the investors and consumers of electricity got a fair deal, and offered certain criticisms in regard to the details of the proposed provisions. (Appendix 19.)

### COMPENSATION FOR INVOLUNTARY UNEMPLOYMENT DUE TO SHORTAGE OF COAL, RAW MATERIALS OR CHANGES IN LINES OF PRODUCTION, OF WHICH ADEQUATE NOTICE CANNOT BE GIVEN.

Towards the end of October, the attention of the Committee was drawn to a scheme formulated by the Government of India for the grant of compensation for involuntary unemployment due to shortage of coal, raw materials or changes in the lines of production. It appeared that Government did not contemplate any legislative enactment. Local Governments were apparently expected to use their powers to persuade employers to pay, sending appropriate cases to adjudication under the Defence of India Rules. The Committee felt that this procedure might perhaps lead to different conditions and rates of compensation in different Provinces as there was nothing to prevent the adjudicators or conciliators concerned from proceeding on the assumption that the scales suggested by Government were only the minimum and that they were free to compromise at or award rates which might be substantially higher than those suggested by Government. The matter was, therefore, taken up with the Government of India, and it was suggested that an order might be issued fixing the rates and conditions of payment which could be satisfactorily enforced throughout British India and Indian States.

Government had only specified that a person must answer a muster-roll once a day at his usual place of employment or, with the permission of the employer, at any other place, and that the worker would be ineligible for benefit if he unreasonably refused work even of a different sort in his usual factory



or (provided employment offered was in the same locality) by transfer from one department to another in the same undertaking or industry or from one industry to another. The Committee felt that the scope of the proposed compensation should be confined to permanent workers only and to those workers who had put in at least three months' continuous work in the factory. A letter was, therefore, addressed to the Government of India requesting that this position should be made quite clear in the scheme.

Towards the middle of December, the Commissioner of Labour, Bombay, forwarded to the Association, the proposals of the Government of India, and in doing so, offered certain comments in regard to the interpretation of some of the proposals. For instance, para 1 (c) of the Government of India proposals read as follows:

"The proposals do not cover closures of which adequate notice is given under Standing Order, whether statutory or voluntary."

The Commissioner held that *prima facie* notice of one month would satisfy the requirements of para 1 (c). In regard to paragraph 2 (b) of the proposals which read as follows, the Commissioner stated that repeated closures for 7 days or less separated by short periods would be regarded as not in accordance with the intention of para 2 (b).

"Duration of benefit should be one month allowing for a waiting period of seven days (benefit, however, to start from the first day of unemployment provided the unemployment lasts longer than the waiting period)."

The Committee felt that a month was too long a period for any employer to come to a conclusion with a reasonable degree of accuracy and on the basis of facts and data which might then be available to him, that raw materials might not be available on account of transport difficulties. Notices of suspension of work of whatever nature were likely to irritate the workers, and the Committee thought that such contingencies should be avoided as far as possible and notices put up only in cases where they were absolutely essential. If, however, Government insisted on giving a month's notice, it was very likely that notices would be put up which might subsequently turn out to be unnecessary. In the opinion of the Committee, the best solution of this state of affairs was to reduce the period to 14 days.

The Committee did not see any justification for the inference that repeated closures for 7 days or less separated by short periods should be regarded as not in accordance with the intention of the scheme. Though the scheme was discussed at more than one meeting of the Standing Labour Committee, this particular issue was not raised at all. No employer would like to close down his factory unless such closure was forced on him through circumstances such as those mentioned in the scheme. If Government were of the opinion that a situation was likely to arise under which closures of less than 7 days' duration each and separated by short intervals were likely to occur, then the best way of meeting the situation would be to make arrangements even now to avoid it by adopting a more liberal policy in the matter of wagon supplies and a businesslike policy in the matter of placement of orders for textiles for Defence requirements.

The communication received from the Commissioner strengthened, in the opinion of the Committee, the Association's case for action from the Centre, and in forwarding the correspondence to the Government of India, the Committee reiterated their view that in the best interests of all concerned, the Government of India should issue an order under the Defence of India Rules, so that there may not be any question of individual provinces acting according to their own wishes and interpretations. (Appendix 20.)

#### POST-WAR INDUSTRIAL DEVELOPMENT OF INDIA.

Towards the end of November 1943, a questionnaire was issued by the Government of India with a view to collect information which, they thought, would enable them to formulate plans for the future of Indian industries. In a communication which accompanied the questionnaire, Government stated that in order to formulate post-war plans, they should have before them as complete a picture as possible of Indian industries as they are to-day and of the position in which they were likely to find themselves on the cessation of hostilities.

The questionnaire seemed to have been designed mainly, if not wholly, from the point of view of unorganised industries, or industries in respect of which no published statistics were available. Complete information in regard to the cotton textile industry was already available in the Cotton Spinning and Weaving Statistics published by Government and in the annual reports of the Association, and this, it was thought, could be supplemented to a very large extent by the statistics and other data included in recent Tariff Board and other reports, both Government and otherwise. Nevertheless, the Committee sent in a detailed answer to the various points raised in the questionnaire pointing out at the same time that Government would realise the difficulty of discussing within the framework of a written answer to a questionnaire all the post-war problems of the industry and the solutions thereto. So far as the cotton textile industry was concerned, the problem of post-war reconstruction was an extremely difficult and specialised one, which could not be solved satisfactorily except with the active assistance of a committee of industrialists assisted by one or two experts appointed by Government, who would go into this matter thoroughly and systematically, such a Committee sitting at the headquarters of the industry, namely, Bombay, and keeping in touch with other centres.

The Committee also met the Hon'ble Sir Ardeshir Dalal, Member for Planning and Development for India, towards the end of November, and discussed with him various matters arising out of the post-war industrial development of India.

Towards the end of January 1945, the Industry's Committee of the Textile Control Board decided to recommend the creation of a Post-war Planning Committee for Textile Industry, and requested the Association to nominate two representatives to serve on the proposed Committee. The Committee of the Association nominated Mr. Dharamsey Mulraj Khatau and Mr. Neville N. Wadia to represent the Association on the Post-war Planning Committee. (Appendix 21.)

### THE INDUSTRIAL HEALTH ADVISORY COMMITTEE.

In November 1943, the Government of India appointed a Health Survey and Development Committee under the Chairmanship of Sir Joseph Bhore, to make a broad survey of the present position in regard to health conditions and health organisation in British India and to make recommendations for future development. This Committee divided itself into five advisory committees, and one of these, the Industrial Health Advisory Committee, under the chairmanship of the Honourable Mr. P. N. Saprú, issued a comprehensive questionnaire calling for information under a number of heads.

The Committee were fully alive to the necessity of improving the health of the industrial workers as well as other sections of the population, but felt that these questions had to be considered not only from the humanitarian point of view but also from the point of view of the cost involved in the various measures which might be adopted as a result of the recommendations of the Health Survey and Development Committee. The Committee, therefore, suggested that the formulation of any plan in matters coming under the scope of the work of the Industrial Health Advisory Committee should be deferred till the extent of the social and welfare measures which might be introduced was made known, as the industry would then be in a position to evaluate the cumulative effect of the various proposed measures and formulate their views thereon.

As regards the scope and method of work of the Industrial Health Advisory Committee, the Committee pointed out that a Labour Investigation Committee appointed by the Government of India was already collecting data covering such matters as industrial disabilities insurance, housing conditions, etc., and that a mixed committee consisting, amongst others, of the representatives of the industry, was to be appointed to formulate measures of social reform. Apart from the fact that, in some items, the work of the two Committees might overlap, the field of work of the Industrial Health Advisory Committee was closely related to the measures for social security. The Committee felt, therefore, that there should be co-ordination between the two Committees and that the recommendations of the Industrial Health Advisory Committee should be linked with the recommendations of the mixed committee which was to be appointed to examine the question of social security measures for workers.

The Committee desired to stress that responsibility for providing an adequate health service rested on Government. It was, therefore, presumed that the health of the worker would be taken care of on the same basis as the health of any other citizen and that any scheme for providing health services to industrial workers would be linked with the scheme for national health service which the Health Survey and Development Committee might evolve. The provision for industrial health, in so far as it was concerned with the function of assessing health, safety and welfare in the working environment of industrial workers, had been recognised by various enactments, such as the Factories Act, Maternity Benefits Acts passed by the various Provincial Governments, the Workmen's Compensation Act, etc., and the problem in regard to this special aspect of health of the workers was mainly one of ensuring that the various legal requirements were observed. It would appear from the reports of the Factory Inspection Departments that the employers had, as a rule, observed the provisions and that, in many cases, by voluntary efforts a much higher standard than required under the law had been maintained. The scope for further extensions by voluntary efforts in this direction, therefore, required, in the opinion of the Committee, serious consideration.

The proper utilisation of the health services pre-supposed a certain standard of education which unfortunately did not exist among the mass of industrial workers. Medical facilities provided by employers were often not fully utilised, and any suggestion for medical examination either before employment or during employment would have to face serious opposition from the workers. The Committee, therefore, stressed the necessity for educative and propaganda work before ambitious schemes of health services were put into operation.

As regards the detailed questionnaire, the Committee pointed out that information relating to the provision of medical facilities by employers to workers, provision of sanitary accommodation, working conditions in cotton textile mills, and facilities for rest, refreshment, etc., was collected by the Textile Labour Inquiry Committee appointed by the Government of Bombay in 1937 and was available in their report. Information in regard to sanitation and medical aid obtaining in factories, was also available in the Annual Factory Reports submitted by the Chief Inspector of Factories for the Province of Bombay. The Committee offered certain general comments in regard to some of the questions in which the Association was interested. (*Appendix 22*).

### LABOUR INVESTIGATION COMMITTEE.

The Tripartite Labour Conference held in September 1943 passed the following resolution:

"This Tripartite Labour Conference recommends that with a view to provide adequate materials on which to plan a policy of social security for labour, the Central Government in co-operation with the Governments of the Provinces of British India, the Indian States and the Chamber of Princes should immediately set up machinery to investigate questions of wages and earnings, employment and housing and social conditions generally, and that as soon as possible after receipt of the required statistics and data, the Central Government should appoint a mixed committee to formulate plans of social security."

In pursuance of the above resolution, Government appointed, early in February, a Committee consisting of:

1. Mr. D. V. Rege, I.C.S., Chairman,
2. Mr. S. R. Deshpande, M.B.E.,
3. Dr. Ahmad Mukhtar,
4. Mr. B. P. Adarkar, Member and Secretary

with the following terms of reference :

- “(a) to collect data relating, *inter alia*, to wages and earnings, employment, housing and social conditions of labour and in particular of industrial labour in India, and  
 (b) to investigate and report, *inter alia*, on the following matters :—  
 (1) the risks which bring about insecurity ;  
 (2) the needs of labour, by various classes, to meet such risks ;  
 (3) the methods most suitable for meeting such risks ; and  
 (4) housing and factory conditions.”

The Enquiry Committee subsequently issued a questionnaire which was answered by the Association. It is understood that the Committee's Report would be placed before Government in the middle of 1945.

### THE TECHNICAL TRAINING SCHEME.

#### ADVISORY COMMITTEE.

Early in July, the Government of India appointed a Committee consisting of the following gentlemen to consider the adjustments required in Government's technical training scheme to meet the present-day needs of the civilian industry :—

- |   |   |
|---|---|
| 1. Secretary (or in his absence Joint Secretary) to the Government of India, Department of Labour.    | Ex-officio Chairman.  |
| 2. Director of Training, Technical Training Scheme, Department of Labour.                             | Ex-officio Vice-Chairman.   |
| <i>Members.</i>   |   |
| 3. Khan Bahadur M. D. Sheikh, Director, Establishment (Railway Board).                                | Representing Railway Department (Railway Board).                        |
| 4. Mr. H. I. Mathews, Deputy Director of Ordnance Factories.  | } Representing the Supply Department.                                   |
| 5. Mr. A. R. Winton, Labour Officer (Director General, Ship Repairs and Construction).                |   |
| 6. Mr. A. W. Taylor, of Messrs. Macneill and Company, Calcutta.                                       |   |
| 7. Mr. E. W. A. Richardson of Messrs. Richardson and Cruddas, Bombay.                                 | } Representing Indian Engineering Association, Calcutta.                |
| 8. Dr. John Matthai, C.I.E., c/o Messrs. Tata Sons Ltd., Bombay House, Fort, Bombay.                  | Representing Employers' Federation of India, Bombay.                    |
| 9. Mr. G. L. Mehta, c/o Messrs. Scindia Steam Navigation Co., Ltd., 100 Clive Street, Calcutta.       | Representing All-India Organisation of Industrial Employers, New Delhi. |
| 10. Dr. Nand Singh, Engineer-in-Chief to Messrs. Soorajanmull Nagarmull, 61, Harrison Road, Calcutta. | Representing Engineering Association of India, Calcutta.                |
| 11. Mr. M. Subba Rao, B.Sc. (London), c/o Podar Sons, Ltd., 109, Parsee Bazaar Street, Fort, Bombay.  |   |
| 12. Mr. V. Ramkrishna, I.C.S., Chairman, Madras National Service Labour Tribunal, Madras.             |   |
| 13. Mr. N. Bhattacharya, Senior Regional Inspector, Technical Training Scheme, Central Circle, Delhi. | Secretary.  |

### TRAINING OF TECHNICIANS OF "OFFICERS" STATUS IN THE UNITED KINGDOM.

Early in February, the Employers' Federation of India, at the instance of the Government of India, Department of Labour, invited the views of the Committee on a scheme which Government proposed to formulate on the lines of the Bevin Boys Training Scheme for training suitable Indians in the United Kingdom for technical posts of "Officers" status. Government had particularly asked for an expression of opinion on the following points :—

1. Classes of Officers to be selected for training ;
2. Nature of training recommended ;
3. Period of training considered suitable ; and
4. Numbers to be trained every year.

The Committee of the Association also had before them for consideration the following views expressed by Sir Ardeshir Dalal, President of the Employers' Federation of India, in regard to the various points :—

*Point No. 1.*—The class of men to be selected should belong to what are ordinarily understood to be the foremen and supervisors grades. They should be men qualified in mechanical engineering, electrical engineering or metallurgy and must have at least five years' experience in a workshop or factory. This class would include men specialising in work such as aeronautical engineering, automobile engineering or shipbuilding. Preference should be given to men with engineering degrees or diplomas, but suitable men even without any academical qualifications might be selected, if they are fairly experienced and well educated.

*Points 2 and 3.*—The training should be a general training for the first two or three months with special reference to British workshop and trade union practice. Thereafter, the trainees might be allocated in batches to separate factories or shops suited to their individual experience, to undergo an intensive course of training for a period of six months. They should also be provided with facilities for extensive touring of different plants throughout the United Kingdom.

*Point No. 4.*—Numbers to be trained should be up to one hundred per year, if they could be spared with due regard to war-time requirements.

The Committee were in general agreement with the views expressed by Sir Ardeshir Dalal, but the following additional points made by some of the members were communicated to the Federation.

(a) The selected candidates should be given full facilities not only in practical training in Works in the United Kingdom but they should also be apprenticed to big works after they had received initial training in some responsible position.

Facilities for courses of training in appropriate industrial research laboratories are essential and should be provided.

(b) The period of training envisaged in the proposal appeared to be rather too brief. Six months intensive specialisation was considered to be insufficient and it was thought that this period might be extended at least to a year up to 18 months, in addition to two or three months' practical training in British workshop and trade union practice and facilities for extensive touring.

(c) In the beginning about 100 candidates in all might be selected for all the branches but later on the number might be adjusted according to the needs and requirements of industries in the country.

### A.R.P. ORGANISATION IN MILLS.

(See also page 72 of Report for 1943.)

Reference was made on page 72 of the Association's report for the year 1943 to certain recommendations made by the Committee regarding the A.R.P. arrangements in mills.

In view of the improvement in the war situation, the Government of Bombay decided to modify their A.R.P. policy and advised factories towards the end of December 1943 to disband their entire A.R.P. establishments, paid and unpaid (except fire fighting organisations). Government, however, suggested:—

1. A paper A.R.P. scheme should be kept ready by factories to be put into effect in the event of emergency.
2. In view of the additional fire risk caused by the abnormal conditions of work arising from pressure of war production, some at least of the fire fighting facilities may be retained.
3. Installations for the sounding of sirens or alarm signals should not be dismantled in the Bombay City and Suburbs.
4. (i) Baffle walls might be demolished particularly in cases where they caused inconvenience.  
(ii) Slit trenches might be filled in.  
(iii) Aboveground shelters, wardens' posts and other structures might be demolished if there was any advantage in doing so, but if these structures could be put to any other use and if there was no particular advantage in demolishing, then the dismantling should be postponed until after the cessation of hostilities.
5. Static water supplies for fire fighting and the trailer pump houses should not be demolished.

In view of the revised A.R.P. policy of Government, the question of retention of the services of the trailer pump men by mills was considered by the A.R.P. Sub-Committee early in March, and it was decided to advise mills to retain a skeleton trailer pump staff to ensure that the control pump was brought into action effectively in the event of a fire before the Municipal fire engine arrived. Mills were, however, asked to ensure that in cases where the services of the trailer pump men were being dismissed, the Rs. 10 monthly dearness allowance funded for their benefit and payable according to the original instructions of the Committee after the war, was paid to the discharged trailer pump men on the day they were discharged.

### THE CLOTH AND YARN (EXPORT CONTROL) ORDER, 1944.

*Regulation of the Export of Cotton Piecegoods and Yarn from India.*—A scheme for the regulation of exports of cotton piecegoods and yarn from India was put into operation during the year. The Order issued in this behalf provided, *inter alia*, that:—

1. No person shall sell or offer to sell cloth or yarn intended for export except to a person holding a valid export quota or a licence issued by or under the orders of an Export Trade Controller or to a person holding a licence issued by the Textile Commissioner.
2. No person shall, save in accordance with the general or special permission of the Textile Commissioner, sell or agree to sell for export, cloth or yarn of any class or specification, other than cloth manufactured on handloom, the standard price of which had not been specified under clause 10 of the Cotton Cloth and Yarn (Control) Order, 1943.

(The standard price in relation to any cloth or yarn was defined as the ex-factory maximum price, which had been notified by the Textile Commissioner under the provisions of the Cotton Cloth and Yarn (Control) Order, 1943, for the cloth or yarn of the same class or specification and sub-clause 8 of clause 4 of the Export Control Order described how standard price in particular instances should be determined.)

3. No manufacturer shall sell or agree to sell for export any cloth or yarn at an ex-factory price which exceeded the standard price by more than 7 per cent.

4. No person shall export any cloth or yarn the f.o.b. price of which, as determined from the invoice, exceeded its standard price :—

- (a) by more than 12 per cent. thereof in a case where the exporter himself was the manufacturer of the cloth or yarn exported ; or
- (b) by more than 20 per cent. in any other case, provided that where the exporter satisfied the Export Trade Controller that he had to pay a commission to the selling agent outside India in respect of export, the percentages specified above might be increased to cover the commission, but not so as to make them more than 14½ per cent. and 22½ per cent. respectively.

The Order also authorised the Central Government to require that all cloth or yarn exported or intended for export shall conform to certain minimum standards as regards specifications and packings and shall bear certain prescribed markings.

*The Cotton Textiles Fund Ordinance.*—Towards the middle of July, the Cotton Textiles Fund Ordinance was promulgated which imposed on all cloth and yarn shipped on or after 8th July (excepting goods covered by contracts entered into before 8th July 1944 and goods exported for any purpose which was, in the opinion of the Collector of Customs, connected with the prosecution of war) an export customs duty of 3 per cent. of the maximum ex-factory price for the time being fixed by the Textile Commissioner. The Government of India were authorised under the Ordinance to notify the date from which the duty shall be leviable, and subsequently, Government announced that the duty should be collected on and from 1st October 1944.

By an amendment issued towards the end of December, all cloth and yarn exported out of India on and after 1st February 1945 became liable to the cess irrespective of the date of the contract. This amendment also provided that in cases where for the time being no maximum ex-factory price had been fixed, the duty of customs shall, until a maximum ex-factory price was fixed, be levied at the rate of 3 per cent. of the value of cloth or yarn as declared in the Shipping Bill.

#### THE COTTON CLOTH AND YARN (CONTRACTS) ORDINANCE, 1944.

Towards the middle of January 1944, the Government of India promulgated the Cotton Cloth and Yarn (Contracts) Ordinance 1944, which provided that where maximum prices ex-factory and retail at which cloth or yarn might be sold have been fixed by Government, then notwithstanding anything contained in any contract for sale of cloth or yarn, the maximum price which might be charged for such cloth or yarn shall not in any case exceed the maximum retail price fixed, nor shall it in the case of a first or any subsequent sale after delivery from the manufacturer exceed by more than a percentage to be fixed in this behalf by the Textile Commissioner, the price paid on the occasion of the last preceding transfer, or, if a maximum price had been fixed for such sale, that maximum price.

The provisions of this Order were made applicable to all contracts made whether before or after the commencement of this Ordinance and to sales made in pursuance of any such contract on or after the 15th August 1943.

#### THE COTTON CLOTH AND YARN (TRANSMISSION BY POST) PROHIBITION ORDER, 1944.

Towards the end of July, the Government of India issued the Cotton Cloth and Yarn (Transmission by Post) Prohibition Order, 1944, which provided that no inland postal article containing, otherwise than as outside covering, any cloth or yarn, shall be received at, or despatched from, any post office in British India and that no person shall deliver or cause to be delivered any such postal article for transmission by post to any place within or outside British India. Cloth as defined under the Order covered any kind of cloth manufactured either wholly or partly from cotton and included dhoties, saris and chaddars. It was necessary in the ordinary course of business to send by post samples of cloth to dealers and prospective customers and it was not perhaps Government's desire to stop the transmission of commercial samples by post. The matter was, therefore, taken up with the Textile Commissioner, and he was requested to issue a general exemption under clause 7 of the Order permitting transmission of commercial and shipment samples of cloth and yarn by post.

Subsequently, towards the middle of November, the Textile Commissioner modified the Order so as to permit the transmission by post of trade samples of cloth or yarn sent by book post with an open end provided :—

- (a) any one package did not exceed half a pound gross weight ; and
- (b) any one sample in the package which might be of the full width of the cloth from selvedge to selvedge, did not exceed 18 inches in length in the opposite direction.

Towards the end of October, Government further clarified the Order so as to make it clear that the prohibition contemplated in the Order applied only to inland postal articles and not foreign postal articles.

#### THE COTTON CLOTH MOVEMENT CONTROL ORDER, 1943.

(See also page 83 of Report for 1943.)

Reference was made on page 83 of the Association's report for the year 1943 to the Cotton Cloth Movement Control Order, 1943, which provided that no person shall offer for transport by rail any

consignment of cotton cloth except under and in accordance with the terms of a general permit notified by the Central Government or a special permit issued by the Textile Commissioner and countersigned by the Regional Controller of Railway Priorities, Bombay.

Subsequently, the Government of India amended the Cotton Cloth Movement Control Order with the result that the Textile Commissioner was also authorised on his own to issue a special transport permit.

The proviso to the original Order, which exempted cotton cloth not exceeding  $1\frac{1}{2}$  maunds in weight carried by a railway passenger as part of his luggage, was also amended. The amended proviso now reads as under :—

“ Provided that this provision shall not apply to the transport by rail of cotton cloth not exceeding 20 lbs. in weight by a railway passenger as part of his luggage to any station in India excepting stations in the States of Western India and Jawhar, Janjira and Cambay States.”

#### THE COTTON CLOTH AND YARN (TRANSPORT) CONTROL ORDER, 1944.

Towards the end of April, the Government of India issued the Cotton Cloth and Yarn (Transport) Control Order, 1944, which required every person, when called upon to do so, to make a return to the Textile Commissioner, giving particulars required by him in respect of cloth and yarn in his possession that he intended to transport to any place in India whether by rail, road or sea. The Textile Commissioner was authorised under the Order to require any person, who intended to despatch any consignment of cloth or yarn to any place in India, to despatch it by such route, whether by rail, road or sea as might be specified by him. A special permit from the Textile Commissioner was required for transport by road, rail or sea of any cloth or yarn from any place in British India to any place within Janjira, Jawhar and Cambay States or within any State included in the Western India States Agency.

Transport of cloth by road, rail or sea by a person as a part of his personal luggage was, however, exempted from the operation of the Order, provided that such cloth did not exceed 20 lbs. in weight.

#### THE FOREIGN COTTON CONTROL ORDER, 1944.

Towards the middle of January, the Government of India issued the Foreign Cotton Control Order, 1944, which required every person carrying on any undertaking involving the import, purchase, sale or consumption of any foreign cotton to submit to the Textile Commissioner by the 15th of every month (beginning from the 15th February 1944) a return giving certain particulars. The Order also provided that no person shall sell or otherwise dispose of, or purchase, or otherwise acquire certain specified varieties of foreign cotton except under, and in accordance with, the terms of a licence granted by the Textile Commissioner. The Order further authorised the Textile Commissioner to require any person to sell to any other person such quantities of foreign cotton and at such price and on such terms as he might direct.

#### THE INDIAN WOOLLEN GOODS (CONTROL) ORDER, 1944.

Towards the middle of February, Government issued the Indian Woollen Goods (Control) Order, 1944, which provided that every manufacturer of Indian woollen goods shall comply with the directions which might be issued by the Central Government regulating the types and specifications of the Indian woollen goods which might be manufactured and prescribing the markings to be made on those goods.

The Order also provided that no person other than a recognised dealer (mentioned in the Schedule to the Order) shall, except with the permission of the Central Government sell any controlled woollen goods.

The Order further provided that—

- (i) no recognised dealer shall sell any controlled woollen goods at a price higher than the maximum retail price fixed by the Central Government ; and
- (ii) no person shall sell by retail any Indian woollen goods other than controlled woollen goods at a price exceeding the cost of production of the goods by more than 25 per cent. thereof.

#### THE PAPER CONTROL (ECONOMY) ORDER, 1944.

Towards the middle of June, the Government of India issued the Paper Control (Economy) Order, 1944.

Clause 28 of the Order stated that “ no person who manufactures any exercise books, account books, articles of stationery or other articles from paper, shall consume or otherwise dispose of during any quarter commencing from 1st July 1944 a quantity of paper other than newsprint exceeding one-fourth of 30 per cent. of such paper consumed by him during the year 1943.” In accordance with the provisions of this clause, it was reported to the Association, that printers were refusing to execute orders from individual mills for the printing and supplying of various forms, etc., used in mills in quantities exceeding 30 per cent. of their consumption during the year 1943.

Clause 36 of the Order laid down that no person shall use any letter paper whether in sheets or pads, the sheets of which when unfolded are of a size greater than 63 square inches in area, after 1st November 1944. Some of the mills had very considerable stocks of letter paper which were more than 63 square inches in area, and it appeared necessary to obtain from Government permission to enable mills to use their existing stocks.



Sub-clause (h) of clause 2 of the Order seemed to bring cotton mills, possessing duplicating machines, within the scope of sections relating to printing presses. The attention of the Committee was drawn to the fact that these duplicating machines existed only for the production of forms, etc., for purely inter-departmental purposes connected with regular business of the mill companies and that they should be exempted from the provisions of the Control Order applicable to printing presses.

These and other provisions of the Paper Control (Economy) Order were examined by a special Sub-Committee of the Association with a view to ascertain the extent to which mills would be in a position to comply with the order, and the matter was subsequently taken up with the Government of India. The Association suggested :

(a) That pay tickets and canteen coupon books should be completely exempted from the provisions of the order.

(b) That mills should be permitted to use up the existing stocks of letter paper regardless of size.

(c) That duplicating machines in mill offices should be exempted from the provisions of the Order.

(d) That mills be permitted to consume up to 60 per cent. of the basic consumption in regard to certain returns, forms, etc., used by mills for inter-departmental transactions, for recording efficiency production, etc., and in regard to returns sent by mills to the head offices and/or to various officials under the Control Orders.

(e) That mills be permitted to consume up to 80 per cent. of the basic consumption in regard to returns issued by the head office in compliance with the provisions of the Indian Company's Act, etc.

In reply, the following concessions were announced by Government which were communicated to the member mills :

(a) Cotton mills in Bombay were permitted to consume paper upto 100 per cent. of their 1943 consumption for printing pay tickets and canteen coupon books.

(b) Mills were permitted to use letter paper already in stock subject to certain conditions.

(c) Duplicating machines in mills were exempted from the provisions of clause 14 to 17 of the Order provided these machines were used to print such papers only as the mills were allowed to use themselves and no outside printing work was done.

(d) Incorporated companies were permitted, with effect from 1st January 1945, to consume for the purpose of forms, registers and other items of stationery paper to the extent of 50 per cent. of the quantity of paper consumed by them in 1943. A general permission to increase the permissible consumption of paper by 10 per cent. was also announced with the result that total consumption limited for incorporated companies was raised to the extent of 60 per cent. of their 1943 consumption. In cases where individual concessions were granted under the order, the 10 per cent. general increase was also made applicable subject to a resultant maximum permissible consumption of 70 per cent. of basic consumption. (*Appendix 23.*)

#### THE PAPER (PACKING OF COTTON TEXTILES) CONTROL ORDER, 1943.

(See also page 86 of Report for 1943.)

Reference was made on pages 86-87 of the Association's report for the year 1943 to the Paper (Packing of Cotton Textiles) Control Order, 1943, issued by the Government of India.

Under clause 4 of the Order, the use of labels on cotton cloth was prohibited. Early in February, this clause was amended to read as under :—

"No manufacturer shall attach or cause to be attached any label to cotton cloth or yarn, and no person shall make any label for such use."

Subsequently, it was represented to the Textile Commissioner that the Order might be amended again to allow the use of labels of reduced size on yarn bundles, and the Textile Commissioner invited the views of the Committee on the question of the permissible size of yarn labels. The Committee stated that yarn labels which were current, were of reasonable sizes and there was no room for further reduction, bearing in mind the necessity of giving a distinct and legible representation of the trade mark and the name of the manufacturers concerned. The Committee also felt that the amount of paper which might be saved by the introduction of smaller sizes of labels or tickets would be negligible, and, therefore, suggested that the mills might be permitted to use their ordinary yarn labels. This suggestion was accepted by the Millstores and Priority Assistance Committee, on whose recommendation Government again amended the Order and deleted the words "or yarn" occurring after the word "cloth" in clause 4 quoted above.

*Use of Strawboards for Packing Fine Cloth of High Value.*—The Millstores and Priority Assistance Committee of the Textile Control Board at its meeting held on 16th February 1944, accepted a suggestion made by the Panel Member for Ahmedabad Area that mills making "fine cloth of high value" should be allowed to use strawboards for packing such cloth. It was understood that only a few mills made cloth of the type involved for which exemption was required. In view of the large stock of surplus strawboards with mills as well as the large production of strawboards, the Committee recommended that an exception should be made to the Paper (Packing of Cotton Textiles) Control Order 1943 permitting all cloth, the retail sale of which had been fixed at Re. 1 or above per square yard, to be packed on strawboards.

#### THE TEXTILE INDUSTRY (MISCELLANEOUS ARTICLES) CONTROL ORDER, 1943.

(See also page 80 of Report for 1943.)

Reference was made on pages 80-81 of the Association's report for the year 1943 to the Textile Industry (Miscellaneous Articles) Control Order which provided that no person shall sell or otherwise

dispose of, or purchase, or otherwise acquire certain articles used in the textile industry and enumerated in the Schedule to the Order, except under, and in accordance with, the terms of a general permit or a special licence issued by the Controller. Under the heading of "Ring travellers," a general permit or a special licence was required under the Order in respect of ring travellers of all types used by the textile industry other than jute and hemp.

By subsequent amendments, the following items were added under the heading "Other articles used on textile machines other than jute and hemp" in the Schedule of goods for which a general permit or a special licence was required :—

"Other articles used on textile machines other than jute and hemp."

- (1) Picking sticks.
- (2) Imported tallow.
- (3) New and second-hand spindles.
- (4) All nickelin tubes.
- (5) Ordinary loom pickers of all types.

In regard to cotton, woollen or silk textile mills, the Textile Commissioner issued a general permit covering these items.

#### THE STARCH CONTROL ORDER, 1943.

(See also page 87 of Report for 1943.)

Reference was made on page 87 of the Association's report for the year 1943 to the Starch Control Order which laid down that no person shall use wheat in any form for the manufacture of starch except with the permission of the Starch Controller, and in accordance with such terms as may be laid down by him in this behalf. Towards the end of February, the Government of India amended clause 3 of the Order with the result that a licence is now required for the manufacture of starch from potato or from any foodgrains other than tapioca.

#### THE COTTON TEXTILES (DYES AND CHEMICALS) CONTROL ORDER, 1944.

Towards the middle of January, the Government of India issued the Cotton Textiles (Dyes and Chemicals) Control Order, 1944, which provided that no person shall sell or otherwise dispose of any dyes imported into India or any one of the chemicals mentioned below except under and in accordance with the terms of a licence granted by the Textile Commissioner :—

Beta-Naphthol	Shirlan Paste
Chromium Acetate	Sodium Acetate
Meta-Toluylene Diamine	Sodium Nitrite

• Rangolite C or Formosul

The proprietary chemicals specified below :—

*Anti-reducing Agents for kier boiling and printing, etc.*; Resist Salt L; Revatol.

*Desizing Agents.*—Aktivin; Concentrated Exsize; Diastoran; Novoformosul; Nylox Conc.; Entline E, Katazyme; Totalase (Enzymol).

*Discharging Agents.*—Metabol WS.

*Emulsifying Agents.*—Permalin EML; Permalin SP; Whitool JB.

*Imported Antiseptics.*—Amicrol; Antimucin; Shirlan 50 per cent. Paste.

*Kier Boiling Assistants.*—Anactive T; Auxiliary TS; Caporal L; Chlorenol N; Cyclopon A; Lissapol T; Lissapol IS; Printon T; Sandopon N; Sandopon N; Conc; Shivapon T; Surfax W; Ultrapol B; Ultravon; Unitran; Sulph-Phenichinol.

*Levelling Agents.*—Albatex PO; Dispersol T, for Dispersol L. Paste, Liovatine; Lubol W for Dispersol VR.

*Mordanting Agents.*—Tanninol BM 200; Thiotan MS.

*Oil and Grease Removers.*—Astol A; Dewaxit, Haughton's No. 1 Oil Remover; Silvatol I.

*Penetrating Wetting and Scouring Agents.*—Azomel A; Olsolene Oil HS; Haughton's Aid No. 2; Invadine NX; Lissapol T; Maxowet; Mercerol (Mercerising Wetter); Mercol VG (Mercerising Wetter); Metanol B.; N. S. A. E.; Penergert; Penetrone T; Permalin WA; Permalin MERC (Mercerising Wetter); Resoline A; Sandozol N; Sandopan N; Tetracarnit; Ultravon W; Unitron.

*Softening Agents.*—Cirrason SA; LC; XL; Ceramine P; Onyxan; Sapamine KW; Velan PFF; Velvetol; Xynomine Powder.

*Solvents for Printing.*—Ciba Solvent; Cibagen Solvent I; Glydote B, Solefix F; Solution Salt AO; Solution Salt BN; Solution Salt GV; Solution Salt XV; Soledon Developer GV; Soledon Developer T.

*Textile Oiling Agents.*—Elmol 100 (silk soaking oil), Quaker No. 1585; Whitool SES.

*Waterproofing Agents.*—Cirol T; T.F.S.

The order also empowered the Textile Commissioner to require any dealer in dyes or chemicals to sell to any specified person such quantities of dyes and chemicals as may be specified by him.



**THE ZINC CHLORIDE CONTROL ORDER, 1943.**  
**ALLOCATION OF ZINC CHLORIDE FOR COTTON TEXTILE MILLS.**

(See also page 87 of Report for 1943.)

Reference was made on page 87 of the Association's report for 1943 to the Zinc Chloride Control Order, issued by the Government of India, which provided that no person shall purchase or otherwise acquire zinc chloride except in accordance with the terms of a valid licence granted by the Textile Commissioner.

Towards the end of January, the Committee were informed that the Millstores and Priority Assistance Committee had ruled that for 100 lbs. of starch only 2 lbs. of zinc chloride was necessary for pure size upto 10 per cent. of the weight of the cotton in the cloth, which was the maximum permitted under the Sizing and Filling Control Order, 1942. The allocation of zinc chloride to individual mills was, it was understood, being made on the basis of this ruling. The Committee felt that this allocation was inadequate and the matter was therefore taken up with the Priority Committee who decided not to alter the figure of 2 per cent. but, it was understood, that additional quantities of zinc chloride would be given to mills, if available. Subsequently, the supply position of zinc chloride improved, and early in February 1945, allocation of a substantial quantity of zinc chloride has been made in favour of member mills.

**THE CONTROL OF IMPORTED ENGINEER STORES ORDER, 1943.**

Early in December 1943, the Government of India issued the Control of Imported Engineer Stores Order, 1943, which provided that no owner or consignee of any engineer stores landed at, or in transit to, any place in British India by sea, land or air, from outside the limits of India, shall sell, transfer or otherwise dispose of, or use such consignment or part thereof except under a general or special licence granted by the Controller. The Order also required every person who imported into British India any engineer stores, to submit certain returns to the Controller and to maintain certain books of accounts relating to the handling and sale of engineer stores.

A proviso to the Order, however, permitted the owner or manager of a factory to use for purposes of the production on which the factory was engaged, any imported engineer stores which were in his possession prior to the commencement of the Order or which had been imported by him since the commencement of the Order as well as engineer stores which were acquired by him from an importer or stockholder against a licence issued under the Order.

**THE CONSUMER GOODS (CONTROL OF DISTRIBUTION) ORDER, 1944.**

Towards the middle of July, the Government of India issued the Consumer Goods (Control of Distribution) Order, 1944, which authorised the Controller-General of Civil Supplies to fix the prices at which the following articles might be sold by consumers, producers or dealers: (1) wines, spirits and liquor; (2) lead pencils; (3) slate pencils; (4) toilet requisites; (5) boot and metal polishes; (6) steel pens; (7) fountain pens and parts of fountain pens; (8) silk yarn and thread; (9) artificial silk yarn and thread; (10) pure and artificial silk fabrics; (11) hand knitting wool; (12) woollen fabrics; (13) umbrellas, and parts of umbrellas; (14) enamelled ironware; (15) kerosene oil lamps; (16) incandescent mantles; (17) zip fasteners; (18) razors and razor blades; (19) cutlery; (20) typewriters and parts of typewriters; (21) typewriter ribbons; (22) wireless receiving sets and parts of wireless receiving sets and wireless bulbs; (23) cycle spare parts and accessories; (24) photographic negatives and printing papers; (25) clocks, timepieces and watches and parts thereof; (26) cartridges; (27) crockery; (28) spectacle frames; (29) sanitary fittings; (30) sports goods; and (31) grindery.

The Order also provided that no importer shall sell or otherwise dispose of the abovementioned articles imported by him after the commencement of the Order, except in accordance with such written instructions as might be given to him by the Controller-General; if no such instructions were given within 21 days from the date on which the articles were cleared from the Customs House, the importer might, subject to the other provisions of the Order, dispose of the articles.

**EXPLOSIONS IN BOMBAY DOCK AREA.**

**RELIEF TO SUFFERERS.**

Towards the middle of April, an appeal was issued under the signature of Mr. J. C. Lancashire, Deputy Chairman of the Association, requesting individual mills to donate at least 5 bales of cloth per mill for the relief of the distressed in the explosion which took place in the dock area in the city. As a result of this appeal 182 bales of cloth were collected and forwarded to the Sheriff of Bombay for distribution through the Citizens' Relief Committee.

In addition the Association also collected Rs. 21,000 and the amount was utilised for purchasing cloth.

**INTER-MILL WRESTLING TOURNAMENT.**

The finals of the Inter-mill Wrestling Tournament for 1944 took place on 2nd April 1944 at the St. Xavier's College Gymkhana Grounds, Parel. Sir Vithal Chandavarkar, Chairman of the Association, presided and distributed the prizes.

A balance of Rs. 4,673-2-6 was available out of the proceeds of the tournament, and out of this the following donations were made :—

	Rs.
1. Textile Technical School .. .. .	600
2. Sir J. J. Hospital Poor Box Fund .. .. .	600
3. Sir J. J. Hospital Nursing Association Fund .. .. .	400
4. K. E. M. Hospital Poor Box Fund .. .. .	1,000
5. The Naigaum Social Service Centre .. .. .	200
6. Gokuldas Tejpal Hospital Nursing Association Fund .. .. .	300
7. Maharashtra High School .. .. .	100
8. Adams Wylie Memorial Hospital .. .. .	300
9. The Nagpada Neighbourhood House .. .. .	50
10. The Rotary Club Library .. .. .	125
11. The Wadia Maternity Hospital .. .. .	200
12. The Wadia Children's Hospital .. .. .	200
13. The Police Comforts Fund .. .. .	500
<b>Total .. .. .</b>	<b>Rs. 4,575</b>

The Wrestling Tournament for 1945 was held on 11th February 1945 in the St. Xavier's College Gymkhana Grounds. Sir Victor Sassoon, Bart., presided and gave away the prizes and trophies.

#### RAW COTTON STOCKS.

In accordance with the usual practice, a census of stocks of raw cotton held by the cotton spinning and weaving mills in the City and Island of Bombay on 28th February 1944, and 31st August 1944, was undertaken by the Association, and the results are summarised below :—

##### 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.)
29-2-1944 .. .. .	490,633	249,461	57,697	29,599	548,330	279,060
31-8-1944 .. .. .	447,994	226,822	49,338	25,511	497,332	252,333

#### PIECEGOODS MARKET REPORTS.

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

#### MEMBERSHIP SUBSCRIPTION.

In accordance with Rule 35 of the Association's Rules and Regulations, the following rates of membership subscriptions for the year 1945 were fixed at a special meeting of the Committee held on Monday, the 11th December 1944 :—

	BOMBAY CITY AND ISLAND (Including Kurla).		UP-COUNTRY.	
	Woollen Mills.	Cotton Mills.	Woollen Mills.	Cotton Mills.
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
For every 1,000 mule spindles or part thereof .. .. .	15 0	8 12	12 0	5 0
For every 500 ring spindles or part thereof .. .. .	15 0	8 12	12 0	5 0
For every 50 looms or part thereof, set up in the mill or mills, factory or factories which, for the time being, shall belong to each member .. .. .	11 4	20 0	9 0	12 8
For every Rs. 10,000 or part of Rs. 10,000 of the cost up-to-date without depreciation, of the plant, buildings and land, or dyeing and/or bleaching and/or printing and/or mercerising factories or departments owned by a member .. .. .	2 8	2 8	2 0	2 0

The above rates are subject to an increase of 25 per cent.

In the case of minimum subscription, the rates were fixed as under :—	Rs.
In the case of cotton mills, woollen mills and dyeing and bleaching establishments situated in the City and Island of Bombay and Thana	750
Do. do. do. elsewhere in India	500
In the case of ginning and pressing factories	300

### MILL HOLIDAYS AND PAY DAYS FOR THE YEAR 1945.

The following mill holidays and pay days, which are in conformity with the provisions of the Indian Factories Act, 1934, and the Payment of Wages Act, 1926, respectively, were recommended by the Committee of the Association for adoption by all Bombay member mills during the year 1945:

It was, however, made clear that the holidays and pay days prescribed by the Committee would be subject to any scheme for staggering of holidays which might be introduced by Government in 1945.

MONTH.	DATE.	DAY.	FESTIVAL.	PAY DAY.	
				MILLS EMPLOYING 1,000 OR MORE OPERATIVES.	MILLS EMPLOYING LESS THAN 1,000 OPERATIVES.
JANUARY	1st	MONDAY	<i>New Year Day</i>	Wed. 10th	Sat. 6th
	7th	SUNDAY			
	14th	SUNDAY			
	21st	SUNDAY			
FEBRUARY	28th	SUNDAY	<i>Maha Shivratri</i>	Sat. 10th	Wed. 7th
	4th	SUNDAY			
	11th	SUNDAY			
	18th	SUNDAY			
	27th	TUESDAY			
MARCH	28th	WEDNESDAY	<i>Holi</i>	Sat. 10th	Wed. 7th
	1st	THURSDAY			
	11th	SUNDAY			
	18th	SUNDAY			
APRIL	25th	SUNDAY	<i>Gudi Padva Ram Navami</i>	Tues. 10th	Sat. 7th
	1st	SUNDAY			
	8th	SUNDAY			
	13th	FRIDAY			
MAY	20th	FRIDAY		Thur. 10th	Mon. 7th
	29th	SUNDAY			
	6th	SUNDAY			
	13th	SUNDAY			
JUNE	20th	SUNDAY		Sat. 9th	Thur. 7th
	27th	SUNDAY			
	3rd	SUNDAY			
	10th	SUNDAY			
JULY	17th	SUNDAY	<i>Ashadi Ekadashi</i>	Tues. 10th	Sat. 7th
	24th	SUNDAY			
	1st	SUNDAY			
	8th	SUNDAY			
	15th	SUNDAY			
AUGUST	21st	SATURDAY	<i>Nag Panchami Narli Purnima Gokul Ashtami</i>	Fri. 10th	Tues. 7th
	29th	SUNDAY			
	5th	SUNDAY			
	13th	MONDAY			
	19th	SUNDAY			
SEPTEMBER	23rd	THURSDAY	<i>Ganesh Chaturthi Gowri Visarjan Anant Chaturdashi</i>	Sun. 9th	Fri. 7th
	31st	FRIDAY			
	10th	MONDAY			
	15th	SATURDAY			
OCTOBER	20th	THURSDAY	<i>Sarva Pitri Amavasa Dasara</i>	Wed. 10th	Sat. 6th
	30th	SUNDAY			
	5th	FRIDAY			
	16th	TUESDAY			
NOVEMBER	21st	SUNDAY	<i>Diwali</i>	Sat. 10th	Wed. 7th
	28th	SUNDAY			
	4th	SUNDAY			
	5th	MONDAY			
	6th	TUESDAY			
	11th	SUNDAY			
DECEMBER	18th	SUNDAY		Mon. 10th	Fri. 7th
	25th	SUNDAY			
	2nd	SUNDAY			
	9th	SUNDAY			
	16th	SUNDAY			
	23rd	SUNDAY			

**STAGGERING OF MILL HOLIDAYS.***(See also page 93 of Report for 1943.)*

Reference was made on pages 93-94 of the Association's report for 1943 to the scheme for staggering of mill holidays introduced by the Government of Bombay, and it was stated that Government proposed to extend the scheme for the first quarter of 1944. The staggering scheme was subsequently extended from time to time and remained in force throughout the year 1944.

**TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT.**

For purposes of record, the Indian Customs Tariff, Schedules I and II, appended to the Indian Tariff Act, XXXII of 1934 (as in operation on 1st January 1943), showing the rates of customs duties levied on goods imported into, and exported from, British India, together with (1) the tariff values fixed for certain articles for purposes of assessment of customs duties with effect from 1st January 1944, and (2) the rates of duty leviable on articles the produce or manufacture of Burma, during the twelve months, January to December 1944, are reproduced in full in *Appendix 24*.

# THE MILLOWNERS' ASSOCIATION, BOMBAY

*Balance Sheet as at 31st December, 1944.*

LIABILITIES.	Rs. a. p.	Rs. a. p.	ASSETS.	Rs. a. p.	Rs. a. p.
<i>Auditors' Fees, Advertisements, Printing, Stationery, Electric Lights, Fans, Salary and Bonus paid to staff, refund of subscriptions, etc., unpaid</i>	1,88,107 0 7		<i>Interest accrued on General Fund to 31st December, 1944, but not received</i>	3,219 13 0	
<i>Subscriptions received in advance for 1945</i>	14,967 3 0		<i>Outstandings due</i>	278 9 0	3,498 6 0
<i>Deposits: Arbitration Fees (Contracts)</i>	239 0 0		<i>Advance payments made for Books and Periodicals, Telephone, Salary of Clerk at Calcutta and other sundry items</i>		2,114 7 0
<i>Recoveries from Mills in connection with Municipal Assessments.</i>	1,017 1 0		<i>Investments (At Cost)</i>	Face value.	
<i>Recoveries from Mills in connection with Wrestling Tournament.</i>	4,772 11 6			Rs.	
<i>Recoveries from Mills in connection with expenses of Fire Experts</i>	18,910 15 1		<i>3½ per cent. Government Loan, 1947-50</i>	83,100	81,401 0 0
<i>Balance of Magazine Account.</i>	4,684 6 5		<i>3 per cent. Government Loan, 1951-54</i>	10,000	10,187 8 0
<i>Deposits: From Mills against purchase of Iron and Steel Materials</i>	1,06,000 0 0	3,38,698 5 7	<i>4 per cent. Government Loan, 1960-70</i>	1,10,000	1,10,672 8 0
<i>Balance of Amount appropriated for future propoganda and action for the promotion of the piecegoods and yarn trade of Member Mills</i>		30,581 10 0	<i>2½ per cent. Government Loan, 1948-52</i>	10,000	10,050 0 0
<i>General Fund:—</i>	Rs. a. p.		<i>Government 3-year Interest Free Defence Bonds</i>	1,00,000	1,00,000 0 0
<i>Balance as on 31st December, 1943</i>	3,61,111 7 2		<i>3 per cent. Government Loan, 1963-65</i>	3,60,000	3,51,546 14 0
<i>Less: Cost of making a wooden platform for wrestling</i>	1,643 2 0		<i>Government of India Defence Bonds, 1946</i>	45,000	45,281 4 0
	3,59,468 5 2			Rs. 7,18,100	7,09,139 2 0
<i>Excess of Income over Expenditure during the year</i>	73,608 11 11	4,33,077 1 1	<i>(Market value of the above was Rs. 7,33,905-8-0 on 31st December 1944.)</i>		
			<i>Cash:—</i>		
<b>Total Rs.</b>		<b>8,02,357 0 8</b>	<i>With the Imperial Bank of India on General Account</i>	54,724 1 5	
			<i>With the Imperial Bank of India on Secretary's Account</i>	32,552 9 3	
			<i>In hand</i>	328 7 0	87,605 1 8
			<b>Total Rs.</b>		<b>8,02,357 0 8</b>

Examined and found correct.

BOMBAY, 26th March 1945.

A. F. FERGUSON & CO.,

*Chartered Accountants,*

*Registered Accountants,*

*Auditors.*

N. S. V. AIYER,

*Secretary.*

**THE MILLOWNERS' ASSOCIATION, BOMBAY.**

Dr.

*Income and Expenditure Account for the year ended on the 31st December, 1944.*

Cr.

EXPENDITURE.	Rs. a. p.	Rs. a. p.	INCOME.	Rs. a. p.	Rs. a. p.
To Establishment .. .. .	48,235 12 8		By Subscriptions for 1944 .. .. .	1,62,421 4 0	
„ Dear Food Allowance .. .. .	11,797 5 0		„ Miscellaneous Receipts .. .. .	3,376 14 6	
„ Conveyance Allowances to Secretary, Labour Officer and Assistant Labour Officer .. .. .	3,190 0 0		„ Registration of Trade Numbers .. .. .	16 4 0	
„ Preparation of Monthly Import and Export Statistics for 1944 .. .. .	2,906 3 0		„ Registration of Trade Names .. .. .	6 0 0	
„ Preparation of Statistics for the Bombay Cotton Mill Industry for 1943 .. .. .	425 0 0		„ Interest on Investments of General Fund, etc. (including interest accrued Rs. 3,219-13-0) .. .. .	17,106 0 11	
„ Office Rent .. .. .	2,000 0 0				
„ Printing Statistical Returns, Mill Statement for 1944, and Annual Report for 1943, etc. .. .. .	5,884 4 0				
„ Stationery .. .. .	2,715 10 6				
„ Advertisements .. .. .	75 0 0				
„ Books and Periodicals .. .. .	688 2 9				
„ Auditors' Fees .. .. .	3,800 0 0				
„ Telephones .. .. .	1,377 8 0				
„ Electric Lights and Fans .. .. .	1,667 2 7				
„ Law Charges .. .. .	900 8 0				
„ Furniture and Fixtures .. .. .	32 4 0				
„ Petty Charges, Sundry expenses including Postage and Telegrams .. .. .	2,869 11 6				
„ Association's Contribution to Provident Fund .. .. .	3,910 13 4				
„ Membership subscription to the Employers' Federation of India, the Textile Institute and the Royal Asiatic Society for 1944 .. .. .	1,318 2 0				
„ Income-tax on interest on Securities for Rs. a. p. 1943-44 deducted at source .. .. .	5,571 1 2				
„ Less—Refund from Brokers on Purchase of Securities .. .. .	984 6 0				
	4,586 11 2				
„ Bonus to Staff .. .. .	9,638 2 0	1,04,318 4 6			
„ Contributions for the year to .. .. .					
The Victoria Jubilee Technical Institute .. .. .	1,500 0 0				
Police Comforts Fund .. .. .	1,000 0 0				
Textile Technical School .. .. .	700 0 0				
Sir J. J. Hospital Nursing Association Fund .. .. .	500 0 0				
K. E. M. Hospital Poor Box Fund .. .. .	400 0 0				
Nalgaum Social Service Centre .. .. .	350 0 0				
Bombay Textile and Engineering Association .. .. .	200 0 0				
Goculdas Tejpal Hospital Nursing Association Fund .. .. .	200 0 0				
Maharashtra High School .. .. .	150 0 0	5,000 0 0			
„ Balance, being excess of Income over Expenditure, carried to Balance Sheet .. .. .		73,608 11 11			
<b>Total Rs. ..</b>		<b>1,82,927 0 5</b>	<b>Total Rs. ..</b>		<b>1,82,927 0 5</b>

Examined and found correct.

A. F. FERGUSON & CO.,

Chartered Accountants,

Registered Accountants,

Auditors.

N. S. V. AIYER,

Secretary.

BOMBAY, 26th March 1945.

## THE MILLOWNERS' ASSOCIATION PROVIDENT FUND

*Statement of Funds for the year ended on the 31st December, 1944.*

PROPERTY AT OPENING AND RECEIPTS	Rs. a. p.	Rs. a. p.	Rs. a. p.	PROPERTY AT CLOSING.	Rs. a. p.	Rs. a. p.
<i>Funds as at 1st January, 1944.. ..</i>		63,683 3 1		<i>Investments held at Cost :—</i>	Face Value. Rs.	Cost.
<i>Contributions received from members during 1944 .. ..</i>	3,949 15 4			4 per cent. Government Loan, 1960-70 ..	70,500	70,082 8 0
<i>Contributions from the Association for 1944 .. ..</i>	3,910 13 4			3 per cent. Government Loan, 1963-65 ..	9,000	8,871 4 0
<i>Interest (including interest accrued Rs. 845-0-0) ..</i>	Rs. a. p. 3,126 0 5			<u>79,500</u>		78,053 12 0
<i>Less—Bank Charges ..</i>	8 1 0	3,117 15 5		(Market value of these securities was Rs. 88,624-11-0 on 31st December, 1944.)		
		10,978 12 1		<i>Interest accrued on the above securities .. ..</i>		845 0 0
<i>Less—Claims paid .. ..</i>	4,267 13 9	74,661 15 2		<i>Advance to Members .. ..</i>		73 0 0
<i>„ —Claims forfeited .. ..</i>	391 3 6	4,659 1 3		<i>Cash with the Imperial Bank of India on current account ..</i>		4,974 0 1
<i>Lapses and Forfeitures :—</i>			70,002 13 11			
<i>Balance as per last statement .. ..</i>		13,961 10 11				
<i>Add—Amount forfeited during the year.</i>		391 3 6	14,352 14 5			
<i>Suspense :—</i>			489 15 9			
<i>Late Ramchander Y. Sawant's amount ..</i>						
<b>Total Rs. .</b>			<b>84,845 12 1</b>	<b>Total Rs. ..</b>		<b>84,845 12 1</b>

Examined and found correct.

BOMBAY, 26th March 1945,

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

N. S. V. AIYER,  
Secretary.

**Report for the Year 1944.**

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*Section III.*

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**CORRESPONDENCE.**

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**APPENDICES 1—24.**



## APPENDIX 1.

## DONATIONS TO THE DEPARTMENT OF CHEMICAL TECHNOLOGY OF THE UNIVERSITY OF BOMBAY.

*Copy of letter No. 200, dated 28th June 1944, from Sir Vishal Chandavarkar, Chairman of the Association, to the Vice-Chancellor, University of Bombay.*

In response to your appeal dated the 11th December 1942, and in recognition of the valuable work carried out by the University in its Department of Chemical Technology, I have pleasure in communicating to you the decision of my Association to offer to the University an endowment of Rs. 3,92,005-10-1 (as per particulars in the enclosed statement—marked "A") for the purpose of meeting the growing needs of the Department with special reference to the requirements of the textile industry. My Association is offering this endowment on the distinct understanding that the amount of the endowment will be utilised for the further expansion of and not for meeting the existing commitments, of the University in regard to the maintenance of this Department.

My Association was particularly pleased to hear that, with the aid of a recurring grant from the Council of Scientific and Industrial Research of the Government of India, the University has decided to open a Section of Dyestuff Technology in the Department. They understand that, although this section has been opened with equipment available in the Chemical Engineering Section, and with a few units fabricated locally, it is absolutely necessary that it should be equipped with a complete range of modern plant to assist in the study of all the processes employed in the conversion of coal-tar raw materials to dyes. To enable the University to meet the cost of such equipment out of the endowment, my Association proposes that a sum of Rs. 1,50,000 be earmarked for the erection of a laboratory on the lines of a Pilot Plant House for Dyestuff Technology and its equipment in an up-to-date manner. This laboratory should be called "The Bombay Millowners' Laboratory for Dyestuff Technology." My Committee would wish to be furnished with details showing how it is proposed to spend the amount thus earmarked, viz., Rs. 1,50,000, and of the equipment which it is proposed to order for the laboratory, and of the expenses actually incurred.

The original plans for the buildings of the Department at Matunga, my Committee understand, provided for separate sections for Textile Chemistry and Experimental Dyeing. However, on account of the creation of five new sections, it seems that the space allotted to the Textile Chemistry Section has had to be reduced by the inclusion in it of the Experimental Dyeing Laboratory. My Association is anxious that there should be greater and more up-to-date facilities for advanced research in textile chemistry, keeping in view the extensive programme of research which ought to be pursued in order to assist the Indian textile industry. They, therefore, propose that Rs. 50,000 from this endowment should be utilised for the construction and equipment of a separate laboratory entirely devoted to advanced research in textile chemistry. This laboratory should be called "The Bombay Millowners' Laboratory for advanced research in Textile Chemistry." They would wish to be furnished with details of the expenditure proposed to be, and also actually, incurred on the construction and equipment of this laboratory.

A further sum of Rs. 50,000 should be utilised in the purchase of special equipment for the study of modern methods of finishing textiles in which the progress made in recent years is comparable with the revolutionary change effected by the use of coal-tar dyes in lieu of natural colouring matters. Among the problems which my Committee have in mind may be mentioned:

Anti-creasing,  
Making of cloth shrink-proof,  
Water-proofing, and

The importation to cotton fabrics of special effects such as linen-like and rayon-like appearance.

My Committee would wish to be furnished with details showing how it is proposed to spend this amount, and with information regarding the nature of the equipment which it is proposed to purchase and the actual expenses incurred. In order that such advanced research work should be carried on continuously, and in a very efficient manner, my Committee stipulate that 3½ per cent. Government Paper of the face value of Rs. 1,25,000 be set apart for the institution and maintenance of two Research Assistantships in Textile Chemistry in the grade of Rs. 150-10-180. These Research Assistantships should be held by Graduates of the Department with the minimum qualification of Ph.D. in Textile Chemistry.

My Committee desire that the balance remaining out of the endowment should be utilised at the discretion of the University in purchasing equipment for the Laboratory for the Dyestuff Technology or for the Laboratory for advanced research in Textile Chemistry. The amounts allocated for each purpose and the nature of the equipment proposed to be purchased should, however, be intimated in advance to the Association. The Association should also be informed of the actual expenses incurred out of the various amounts.

It is the opinion of my Committee that one of the reasons why the Department has attained the success it has in such a short time and has turned out graduates who have stood favourable comparison with those of British and American Universities, is the high standard of admission to the Department and the method of selection of students which has been based entirely on merit, as judged by the results of the B.Sc. examination of the University. Admission has also been very properly restricted to graduates with Chemistry as their principal subject, who have passed with at least second-class marks.

My Committee have no desire to interfere, and cannot, of course, interfere in any way with the academic freedom of the University, but at the same time it will be admitted that the industry is vitally concerned with the quality and calibre of the graduates turned out by the University, and that this endowment has been made as an appreciation of the good work done by the Department so far, and as an encouragement to the University to maintain the same high standard both with regard to the pre-requisite qualification of students and the quality of teaching imparted in the Department. The Association is offering the above endowment on the strict understanding that these standards will be maintained and will not be lowered so far as admissions to the Department of Textile Chemistry and Dyestuff Technology are concerned, and my Committee trust that the University will accept the offer on that understanding. The rapid progress of chemical technology in recent years has followed simultaneous advances in chemistry, and it is becoming increasingly necessary for chemical technologists to have a firm foundation of chemical knowledge and, therefore, my Committee desire that the Department should continue to function as a post-graduate institution. Graduates of the Department have occupied responsible positions in the textile industry, and it has been the experience of my Association that their value in a textile mill or a chemical factory is not due so much to their ability to control routine processes, as to their capacity for carrying out research on the many highly complicated technical problems with which a large-scale industry is continually faced. It is for these reasons that my Association is anxious that the Department should, on no account, lower its standard for the selection of students who apply for admission.

I have only to add that the endowment made by the Association is subject to the condition that the representation which the University has been pleased to grant to the Association on the Board of Visitors of the Department of Chemical Technology, will be continued. I have also to point out that, according to section 13 (2) (D) of the Bombay University Act, the Association will get, as a result of giving this donation, the right to nominate a Fellow for a period of 20 years from the date of acceptance by the University of the donation, in addition to the right which the Association has already, to elect a representative under section 13A (4) of the Act.

If the University is pleased to accept the endowment, I have to state that the amount would be handed to the University on the 31st August 1944.

## ENCLOSURE "A."

*Statement showing the particulars of the endowment offered by the Millowners' Association, Bombay, to the Bombay University.*

		Rs.	a.	p.
3½ per cent. Government Paper	.. .. .	3,60,000	0	0
Interest accrued upon 31-8-1944	.. .. .	8,208	5	4
		3,68,208	5	4
Cash	.. .. .	23,799	4	9
Total	.. .. .	Rs. 3,92,005	10	1

Copy of letter No. 19166, dated 18th August 1944, from the Registrar, University of Bombay, to Sir Vithal Chandavarkar, Chairman of the Association.

I have the honour to inform you that the very generous offer of an endowment of Rs. 4,00,731-10-1 by the Millowners' Association, Bombay, for the purpose of meeting the growing needs of the University Department of Chemical Technology with special reference to the requirements of the textile industry, conveyed by you as the Chairman of the Association to the Vice-Chancellor in your letter to him dated the 28th June 1944, was placed before the Senate at their meeting held on Wednesday the 16th August 1944, when it was resolved by the Senate that the offer be accepted with thanks.

I am desired by the Vice-Chancellor to convey to you personally his thanks for your good offices which are mainly responsible for securing this valuable endowment for the University. The Vice-Chancellor is also addressing you separately in this connection.

Copy of letter No. 200, dated 31st August 1944, from Sir Vithal Chandavarkar, Chairman of the Association, to the Vice-Chancellor, University of Bombay.

I am in receipt of your letter of the 18th August\* and the official letter No. 19166, dated the 18th August 1944, from the University Registrar, intimating the acceptance of our donation by the Senate of the University. It is very kind of you to thank me for what little I did to secure the donation. I would, however, like to assure you that, ever since the inception of the Department of Chemical Technology, the Association as well as its individual members have taken a keen interest in its welfare and development, and, therefore, when you made the appeal, it was not difficult for me to secure donations from members of the Association. A list of members of the Association with the amounts contributed by them is enclosed herewith for your office records.

I am glad you made it clear during the Senate proceedings that the non-lowering of the standard of admission to the Department mentioned in paragraphs 7 and 8 of my letter of the 28th June 1944 was clearly a condition of the endowment. There should have been no room for any doubt because the terms of my letter were clear enough, but as doubts were raised, it was necessary to make the position clear so that there should be no room for any misunderstanding between the Association and the University in this matter. I may mention that you were quite right in your interpretation because it is a condition of the donation that the present standard and pre-requisite qualification for admission to the Department (B.Sc. Hons. with Chemistry as principal subject) and the method of recruitment will be maintained.

LIST OF MILLS WHICH HAVE CONTRIBUTED TO THE DEPARTMENT OF CHEMICAL TECHNOLOGY,  
UNIVERSITY OF BOMBAY.

Name of Mill.	Amount.	Name of Mill.	Amount.
	Rs.		Rs.
1. The Apollo Mills, Ltd.	4,695		
2. The Bombay Dyeing & Mfg. Co., Ltd.	23,700		
3. The Bradbury Mills Ltd.	3,670		
4. The Century Spg. & Mfg. Co., Ltd.	11,950		
5. The Colaba Land & Mill Co., Ltd.	4,200		
6. The Coorla Spg. & Wvg. Co., Ltd.	2,910		
7. The Crown Spg. & Mfg. Co., Ltd.	5,260		
8. The David Mills Co., Ltd.	6,900		
9. The Dawn Mills Co., Ltd.	2,890		
10. The Dhanraj Mills Ltd.	3,790		
11. The Digvijay Spg. & Wvg. Co., Ltd.	5,500		
12. The India United Mills Ltd.	31,400		
13. The Edward Sassoon Mills Ltd.	4,180		
14. The Elphinstone Spg. & Wvg. Mills Co., Ltd.	3,710		
15. The Finlay Mills Ltd.	5,375		
16. The Gold Mohur Mills Ltd.	4,580		
17. The Hindoostan Spg. & Wvg. Mills Co., Ltd.	5,170		
18. The Hirjee Mills, Ltd.	3,200		
19. The Indian Mfg. Co., Ltd.	5,655		
20. The Jam Mfg. Co., Ltd.	6,130		
21. The Jubilee Mills Ltd.	3,830		
22. The Kamala Mills, Ltd.	4,700		
23. The Khatou Makanji Spg. & Wvg. Co., Ltd.	8,695		
24. The Kohinoor Mills Co., Ltd.	10,885		
25. The Madhowji Dharamsi Mfg. Co., Ltd.	4,125		
26. The Madhusudan Mills, Ltd.	6,740		
27. The Meyer Sassoon Mills, Ltd.	4,865		
28. The Modern Mills, Ltd.	3,020		
29. The Moon Mills, Ltd.	3,880		
30. The Morarjee Goculdas Spg. & Wvg. Co., Ltd.	10,130		
31. The New China Mills, Ltd.	4,400		
32. The New City of Bombay Mfg. Co., Ltd.	3,940		
33. The New Great Eastern Spg. & Wvg. Co., Ltd.	4,940		
34. The New Kaiser-i-Hind Spg. & Wvg. Co., Ltd.	6,300		
35. The New Union Mills, Ltd.	3,790		
36. The New Pralhad Mills, Ltd.	4,410		
37. The Phoenix Mills, Ltd.	4,670		
38. The Podar Mills, Ltd.	3,780		
39. The Ruby Mills, Ltd.	1,955		
40. The Sassoon Spg. & Wvg. Co., Ltd.	6,330		
41. The Shree Niwas Cotton Mills, Ltd.	8,150		
42. The Shree Ram Mills, Ltd.	4,770		
43. The Simplex Mills Co., Ltd.	4,725		
44. The Sir Shapurji Broacha Mills, Ltd. (including Indian Woollen Mills)	7,130		
Carried over	2,75,025		
		45. The Seksaria Cotton Mills, Ltd.	7,125
		46. The Standard Mills Co., Ltd.	7,050
		47. The Svadeshi Mills Co., Ltd.	8,855
		48. The Swan Mills Ltd.	3,880
		49. The Tata Mills, Ltd.	8,005
		50. The Victoria Mills, Ltd.	5,150
		51. The Western India Spg. & Mfg. Co., Ltd.	5,205
		52. The Sassoon & Alliance Silk Mill Co., Ltd.	570
		53. The Indian Bleaching, Dyeing & Printing Works	2,670
		54. The Raymond Woollen Mills, Ltd.	2,170
		55. The Usha Woollen Mills	485
		56. The Ahmed Woollen Mills	810
		57. The Bangalore Woollen, Cotton and Silk Mill, Ltd.	2,500
		58. The Buckingham & Carnatic Co., Ltd.	2,500
		59. The Delhi Cloth & General Mills Co., Ltd.	2,000
		60. The Gaekwar Mills, Ltd.	1,738
		61. The Gokak Mills, Ltd.	3,000
		62. The Jam Shri Ranjitsinghji Spg. & Wvg. Co., Ltd.	1,434
		63. The Khandeish Spg. & Wvg. Mills Co., Ltd.	1,500
		64. The Lakshmi Cotton Mfg. Co., Ltd.	3,426
		65. The Madura Mills Co., Ltd.	9,320
		66. The Minerva Mills, Ltd.	1,000
		67. The Mysore Spg. & Mfg. Co., Ltd.	1,427
		68. The Narsinggirji Mfg. Co., Ltd.	3,540
		69. The Navsari Cotton and Silk Mills, Ltd.	1,146
		70. The Pratap Spg., Wvg. & Mfg. Co., Ltd.	3,184
		71. The Raja Bahadur Motilal Poona Mills, Ltd.	1,311
		72. The Sholapur Spg. & Wvg. Co., Ltd.	7,214
		73. The Shri Jagdish Mills, Ltd.	1,398
		74. The Shri Shahu Chhatrapati Mills	450
		75. The Vishnu Cotton Mill, Ltd.	3,792
		76. The Barsi Spg. & Wvg. Mills, Ltd.	828
		77. The Bharat Spg. & Wvg. Co., Ltd.	1,208
		78. The Broach Fine Counts Spg. & Wvg. Co., Ltd.	1,790
		79. The Lokmanya Mills, Ltd.	520
		80. The Maharana Mills, Ltd.	1,501
		81. The Morvi Cotton Mills, Ltd.	251
		82. The New Pratap Spg., Wvg. & Mfg. Co., Ltd.	2,960
		83. The Jayashanker Mills, Barsi, Ltd.	480
		84. The Niranjani Mills Ltd.	650
		Brought over	2,75,025
		Total	3,89,658

Note.—Subsequently the Anjar Spinning and Weaving Mills Ltd. and the Chhoi Silk Mills Ltd. contributed Rs. 420/- and Rs. 1,001 respectively.

Copy of Press Note issued on 13th September 1944.

A unique function took place in Bombay this afternoon when Sir Vithal Chandavarkar, Chairman of the Millowners' Association, Bombay, handed over, on behalf of the Millowners' Association, Bombay, to Mr. B. J. Wadia, Vice-Chancellor of the University of Bombay, a donation of Rs. 4,00,731-10-1 for the Department of Chemical Technology. This donation is to be utilised mainly for the further expansion of the Department. About a lakh and a half of the amount is earmarked for the erection of a laboratory on the lines of a Pilot Plant House for Dyestuff Technology and its equipment on modern lines. Rs. 50,000 is to be utilised for the construction and equipment of a separate laboratory entirely devoted to advanced research in textile chemistry. A further sum of Rs. 50,000 is intended for special equipment for the study of modern methods of finishing textiles. In order that advanced research should be carried on continuously and in a very efficient manner about Rs. 1,25,000 has been set apart for the institution and maintenance of two Research Assistantships in Textile Chemistry.

In this connection, it will be recalled that the first impetus to the development of scientific education in the University of Bombay was given by Lord Sydenham when he was the Chancellor of the University.

The next important step was taken by the University in 1933 when the Department of Chemical Technology was established and special importance was given to the study of textile chemistry, a special line intimately connected with the textile industry. The close co-operation between individual millowners and the Association on one side and the University on the other, which has existed from the establishment of this section, has now resulted in the handsome donation which the millowners have given as an appreciation of the important work which the institution is doing for the benefit of the industry. It should be mentioned here that the early establishment of the Department of Chemical Technology would not have been possible had it not been possible for the keen interest taken by the then Governor of Bombay, Sir Frederick Sykes.

Copy of letter No. 24198, dated 16th October 1944, from the Registrar, University of Bombay, to the Association.

In connection with the donation given by the Millowners' Association, Bombay, to the University, I beg to invite your attention to section 13-II-(D) of the Bombay University Act which provides that each body giving a donation, to or for the purposes of, the University of money to the value of not less than one lakh of rupees shall be entitled to nominate a Fellow. The right of making any such nomination is subject to the provisions of sections 14, 15, 16 and 17 of the Act and the tenure of any such nominee shall not extend beyond a period of 20 years from the date of the acceptance by the University of any such donation.

I am writing this letter in order that you may bring this provision in the University Act to the notice of your Association to enable them to make a nomination. You are requested to communicate to me the name and address of the person nominated in accordance with this provision.

Copy of letter No. 340, dated 29th November 1944, from the Association to the Registrar, University of Bombay.

I am directed to acknowledge the receipt of your letter No. 24198, dated the 16th October 1944, wherein you drew my attention to the provisions of section 13-II-(D) of the Bombay University Act, which provides that each body giving a donation to, or for the purposes of, the University of money to the value of not less than one lakh of rupees shall be entitled to nominate a Fellow.

Your letter has since been considered by my Committee, and they have great pleasure in nominating Mr. Neville N. Wadia (Address: Messrs. Nowrosjee Wadia and Sons, Ltd., Neville House, Graham Road, Ballard Estate, Bombay, to the seat acquired by the Association under the provisions of the section referred to above.

## APPENDIX 2.

### MUNICIPAL ASSESSMENT OF COTTON MILLS.

Copy of letter No. 29, dated 8th August 1944, from Sir Vithal Chandavarkar to Mr. M. D. Bhat, the Municipal Commissioner for the City of Bombay.

Would you kindly refer to my letter No. 29, dated the 25th January 1944, containing the terms of understanding us in connection with mill assessment?

Clause (f) reads as follows:

"Status quo would be retained as regards the principle underlying the assessment of all mill lands including mill lands reserved for future extensions."

I understand from the Association's surveyor that in the case of certain mills, vacant lands which were not previously assessed are being assessed. I enclose herewith, for your information, a list of mills in which such assessment has been noticed by the Association's surveyor.

Would you kindly look into this matter and let me know what the position is?

P.S.—If you think a personal discussion is necessary, I shall call on you with my Deputy Chairman.

#### LIST OF MILLS IN WHICH THE MUNICIPALITY PROPOSES TO ASSESS FOR VACANT LANDS.

- |                                       |                        |
|---------------------------------------|------------------------|
| 1. Alexandra Mills.                   | 4. Victoria Mill.      |
| 2. Standard Mill.                     | 5. Pralhad Mill.       |
| 3. Jacob Sassoon Mill.                | 6. Meyer Sassoon Mill. |
| 7. Century Spinning and Weaving Mill. |                        |

Copy of letter No. 741, dated 25th August 1944, from Mr. M. D. Bhat, Municipal Commissioner for the City of Bombay, to Sir Vithal Chandavarkar.

Please refer to your letter dated the 8th August 1944 regarding assessment of mill lands.

There is apparently some misunderstanding on this point. At the first meeting we had on 23rd October 1943, it was agreed that "only such lands as were not in use by the mills and were independently developable might be assessed at the ruling rate but that land used for storage of coal, ashes, etc., should not be counted." The words in inverted commas are from the minutes drawn up by me at the time.

At the 2nd meeting held on 2nd November 1943, you observed that your Committee "had agreed after much discussion, to a rate of Rs. 4-4-0 per 100 sq. ft. for machinery portion and Rs. 3 for non-machinery portion subject to the understanding that no change would be made in the existing classification of the different departments of the mill and

that oil tanks and mill tanks would be left out of account." This was confirmed by you in your letter dated the 4th November 1943. No question of surplus lands being left out was raised therein nor at the meeting held on 21st January 1944. In your letter dated the 25th January 1944\* you stated, *vide* serial No. (f), that the *status quo* would be retained as regards the principle underlying the assessment of all mill lands including mill lands reserved for future extensions.

As the Municipality had already assessed such lands in the case of many mills it was understood that this condition applied to our not assessing lands stored with coal and ashes, which were proposed to be also assessed and which I agreed on your representation not to assess.

The fact that the Municipality was assessing surplus lands in the mill compounds will be evident from the Premier Mill case. In this case the Municipality had assessed certain surplus lands; the mill contested that they were not assessable and went in appeal. The Court held that they were assessable, *vide* Appeal 1 M of 1943.\* I also append hereto a statement showing surplus lands in the seven mills referred to by you and assessed by us in the past. In this context, I understood condition (f) in your letter to mean that the already established principle of assessing surplus mill lands, which were independently developable, was accepted by you and all that remained to be decided was to ascertain the measure of value, i.e., the ruling rate of land in the locality and to assess the said lands on that basis. I do not see, therefore, why a dispute should arise now on this question except perhaps on the merits of individual cases, viz., where your Surveyor and the Municipal Surveyor may differ as to whether a particular land is surplus and independently developable or not. In all such cases the Assessor and Collector will be directed to inspect the cases himself before finally disposing of the complaints or if his decision were not acceptable to you in any particular case it will be open to you to take up the case with the Municipal Commissioner. This arrangement I trust would be fair to all. If, however, you still wish to discuss the matter with me, I shall be glad to see you and your Deputy Chairman on Friday 1st September at 12 noon (S.T.) in my office.

Copy of letter No. 29, dated 2nd September 1944, from Sir Vithal Chandavarkar to Mr. M. D. Bhat, the Municipal Commissioner for the City of Bombay.

I thank you for your D.O. No. 741, dated the 25th August 1944. The main point that was made when the Deputy Chairman and myself met you immediately before the final agreement was drawn up was that, if a particular property—it does not matter whether it is a building or land—was not assessed by the Municipality subsequent to the decision of the Small Causes Court, then that property should not be assessed now if there is no change in user. Certain exceptions were made at your instance, and these were accepted by us and incorporated in the agreement. It, therefore, follows that if in a particular mill a particular block of land was not assessed before for any reason whatsoever, it should not be assessed now, or if in a particular mill a particular area of land was assessed on the basis of the rental value of neighbouring lands, then the same principle would be followed now. What we did, in brief, was to take the basis of assessment which came into existence as a result of the old Small Causes Court decision with certain variations, which were specifically set forth in our agreement. The Premier Mill's case was not referred to at all in the course of our discussions.

The Association's Surveyor has since supplied me with a list of lands, their ward numbers, etc., which, he says, are now assessed and which, according to him, have not been assessed hitherto. A copy of the statement compiled by him is enclosed herewith. If what he says is correct, then that would be against the spirit of the agreement.

I suggest that the particulars given by our Surveyor be examined by the Assessor and Collector of Taxes before we meet. If you can assure us that the lands indicated by our Surveyor have hitherto been assessed, then there is nothing more to be said about it, and perhaps the meeting may not be necessary.

Name of Mill.	Ward No. of land as per M.C.	R.V. as per M.C.	Ward No. of land newly proposed.	R.V. complained against.
1. Alexandra Mills	Nil	Rs. Nil		Rs.
2. Jacob Sassoon Mills	133 (1)	2,130	8,254 (1E) 133 (1D)	1,000 4,948
3. Standard Mills	2,999 (1) 2,971 (1) 2,651	510 320 18	2,968 (1A) 2,971 (1)	5,512 5,955 1,187,000
4. Victoria Mills	1,875 (4)	1,955	1,875 (4)	2,500 2,000
5. New Pralhad Mills	2,119 (1A) 2,192	1,600	2,135 (A)	1,735 3,000
6. Meyer Sassoon Mill	1,065 (1) 2,111	350 4	2,115	2,491
7. Century Mills	2,695 (1) 1,724	345 140	1,798 (2A)	7,995
Total	Rs.	7,372		Rs. 37,717

Copy of letter No. 769, dated 14th September 1944, from Mr. M. D. Bhat, Municipal Commissioner for the City of Bombay, to Sir Vithal Chandavarkar.

Please refer to your letter No. 29, dated the 2nd September 1944.

The question of assessing surplus lands was discussed only at the first meeting you had with me on 23rd October 1943, and as you conceded the point there was no occasion to refer to the Premier Mill case. You mentioned *status quo* with reference to the different classifications we had adopted in assessing mill structures. You urged that the classifications made by the Court in the previous judgment should be adhered to. I conceded that point but for one or two minor exceptions regarding motor platforms, mechanic shops and hand reeling department, which were not clear in the judgment. We had proposed to assess lands covered by natural tanks. This point was given up as you stated that they were not previously assessed. As regards plots of land covered by coal stacks, ashes, etc., the municipal contention to assess them was also given up at your request as they were considered as necessary adjuncts.

You will thus see that the question of surplus lands, which are independently developable, barring those covered by natural tanks or coal stacks was not referred to at any of the subsequent meetings.

If my memory is not wrong, I believe the word "principle" in serial No. (f) was introduced at my instance. The object in incorporating this word was that the "principle" hitherto accepted in assessing surplus lands should continue to be recognised. The actual position with regard to surplus lands is bound to vary at each quinquennial survey. What was land in the past may have been built upon since and what was built upon in the past may have now become vacant land on account of demolition of structures. Thus the position is bound to be in a state of flux and there cannot conceivably be any *status quo* with regard to it. I think serial No. (f) in your letter dated the 25th January 1944 can be much better

understood if read with serial No. (e). If your contention about serial No. (f) were correct, there was no propriety in introducing serial No. (e) whereby lands actually covered by A.R.P. shelters are to be exempted for the duration of the war. These have been unquestionably built on surplus lands.

A reference to the list appended to my letter dated the 25th August will show that in six cases out of seven referred to by your Surveyors, the vacant pieces of lands in the mill compounds were assessed by us subsequent to the old Small Causes Court decision.

In the case of the Alexandra Mills, the land assessed has since been used by the mills as a building site and a new building for a creche has been erected thereon. The valuation of the land in such cases will remain only upto the date of the completion of the structure.

In the case of the Jacob Sassoon, the Standard, the Victoria and the Meyer Sassoon Mills, the ward numbers against which the rateable values for lands have been shown are identical with those bearing assessments before revision and only in two cases, viz., the New Pralhad and the Century Mills, new numbers have been proposed pending the proper identification of the boundaries of the old ward numbers. I suggest that these be jointly inspected by the Municipal Surveyor and your Surveyors and the old ward numbers, if no longer in separate existence on account of extensions in the mills, should be merged with the new ones and their separate valuations cancelled. In the case of the Pralhad Mills, for instance, there are 17 separate ward numbers for lands, which will be merged in the newly proposed rateable values after joint inspection by both the parties. I need not point out that if the lands continue to remain vacant, they are eligible for refund subject to compliance with refund regulations.

As already stated in my last letter, I have directed the Assessor and Collector to look personally into cases where your Surveyor and the Municipal Surveyor may differ and if you feel dissatisfied with his decision in any individual case, it will be open to you to take up the matter with the Municipal Commissioner.

So far as undisputed cases are concerned, I do not see any reason why complaints in regard to them should not now be disposed of as they have been pending for over one year. I have accordingly directed the Assessor and Collector to get on with the hearing of such complaints after communicating with your Surveyor.

*Copy of circular No. 29, dated 13th December 1944, to all mills in Bombay re. discussions which took place at the Municipal Commissioner's Office on 9th December 1944.*

I circulate herewith for your information a copy of my note setting forth the details of the agreement reached between the Association and the Municipality in regard to the assessment of the mill lands which are assessable in terms of the original agreement, a copy of which was sent to you with my letter No. 29 dated 11th February 1944.

Present

M. D. Bhat, Esq., I.C.S. (Municipal Commissioner) ; L. S. Kagal, Esq. (Assessor and Collector of Taxes).

The Association being represented by :—

Sir Vithal Chandavarkar, M.L.A. (Chairman) ; J. C. Lancashire, Esq. (Deputy Chairman) ; N. S. V. Aiyer, Esq. (Secretary).

The Association's representatives made out a case for land valuations being linked up with those current prior to 1943, subject to an increase of 40 to 46 per cent. all round as in the case of mill structures. There was a general discussion, and it was agreed that the average rate of Rs. 10 per square yard adopted by the Municipality being fair and reasonable, having regard to current values, be accepted (save in the case of land behind New China Mills where the rate should be Rs. 7 and the land east of Sun Mill which should be assessed at a lump sum of Rs. 50 only) the rental value being, however, estimated at 3½ per cent. on this value instead of at 5 per cent. as adopted by the Municipality and that the Assessor and Collector of Taxes should dispose of all pending land assessments on this basis.

The Commissioner agreed that in the case of mill lands, a refund of tax under section 175 would be made on account of vacancy, if any, with effect from 1-4-1943 up to the date of the disposal of the complaints, regardless of whether a notice of vacancy had been given or not, provided the lands were not put to any beneficial use. A case for exemption of mill lands from all other municipal taxes except the General and the Urban Immovable Property Taxes was put up, but the Municipal Commissioner stated that the halalkhore tax would become leviable if the lands were found to be beneficially occupied.

### APPENDIX 3.

#### WATER TAX PAYABLE BY MILLS.

*Copy of letter No. 328, dated 11th January 1944, from the Association to the Municipal Commissioner for the City of Bombay, and the Municipal Secretary.*

The Committee of my Association understand that the Standing Committee of the Corporation have recommended an increase in the rate at which water is supplied to cotton, dyeing, bleaching and other mills from 14 annas to Rs. 1-2-0 per thousand gallons. The Standing Committee's proposal, it is further understood, is likely to come up for discussion in the Corporation towards the end of this month, and my Committee would greatly appreciate it if you would kindly print this letter among the agenda for the meeting, or if there is no time to do so, to read it to the meeting.

2. I suggest that section 140 (a) of the City of Bombay Municipal Act, when read in conjunction with section 169, lays down the principle that the tax shall be reasonable with reference to the expenses of providing a water supply for the city and that the Corporation is not entitled to make a profit thereon. The following figures, extracted from various municipal publications, show the income and expenditure position of the Corporation under the head "Water works" :—

Year.	Total income "Water works."	Total expenditure.	Excess of income over expenditure.
	Rs.	Rs.	Rs.
1938-39	78,11,000	65,00,000	13,11,000
1939-40	81,05,000	66,62,000	14,43,000
1940-41	82,62,000	69,07,000	13,55,000
1941-42	87,31,000	68,24,000	19,07,000
1942-43	92,39,000	68,12,000	24,27,000
*1943-44	97,62,000	70,28,000	27,34,000
*1944-45	1,00,62,000	73,10,000	27,52,000

\* Estimate only.

My Committee desire to submit that the profit which the Corporation have made all these years under the head "Water supply" was illegal and unwarranted. The water tax (by meter measurement) was raised from 10 annas to

14 annas in 1942-43 apparently without any legitimate reason, and though the estimated income and expenditure for water works for the year 1944-45 show no reason for this figure, the Corporation are being asked to agree to a further increase in rate from 14 annas to Rs. 1-2-0 per thousand gallons.

3. According to your latest Administration Report (1942-43), the average cost of water brought to the city excluding wastage and supplies to the suburbs works out to three annas per thousand gallons, and making a 100 per cent. allowance for all factors, the all-in cost to the Municipality should not exceed 6 annas per thousand gallons, which shows that, even the present rate of 14 annas is very much more than what the Corporation are entitled to collect under section 140 (a).

4. My Committee are unable to understand why, of all consumers, mills, dye works and the race-course have been singled out for increased taxation. That mills have all along been paying for their water a rate which, in relation to other consumers, is excessive will be clear from the fact that, though mills have been consuming only 6.35 per cent. of the water brought into Bombay, they contribute about 24 per cent. of the total revenue derived by the Corporation under the head "Water taxation," and the domestic consumers who consume 61 per cent. of the water brought into Bombay contribute only 41 per cent. of the total revenue; in fact, the average cost per gallon of water in their case seems to work out at less than 3 annas per thousand gallons.

5. In my Committee's view, therefore, there is no case for an increase in water tax, bearing in mind the considerations set forth in section 140 (a). Secondly, even if there are adequate reasons for an increase in water tax, then there should be a fair and just re-adjustment of tax among all consumers. In this connection, my Committee would like to draw your attention to the fact that, in the case of Tata Hydro-Electric power and fuel oil, individual bulk consumers like the railways and the cotton mills are given a specially reduced rate; this practice obtains in other trades too, and, it is suggested, might be adopted by the Municipality also.

## APPENDIX 4.

### DEFECTIVE WATER METERS IN MILLS.

*Copy of letter No. 329, dated 26th January 1944, from the Association to the Municipal Commissioner for the City of Bombay.*

Section 276 (2) of the City of Bombay Municipal Act reads as under :—

"The Commissioner shall at all times keep all meters and other instruments for measuring water, let by him for hire to any person, in proper order for correctly registering the supply of water, and in default of his so doing such person shall not be liable to pay rent for the same during such time as such default continues."

2. The Committee of the Association have received complaints from the undermentioned mills and factories pointing out that the meters installed in their premises by the Municipality have been, in most cases, defective for a long time :—

- |                            |  |
|----------------------------|--|
| (1) Century Mills.         | (18) New Union Mills.                    |
| (2) Colaba Land Mills.     | (19) Moon Mills.                         |
| (3) Crown Mills.           | (20) Phoenix Mills.                      |
| (4) Empire Dye Works.      | (21) Podar Mills.                        |
| (5) Hirjee Mills.          | (22) Tata Mills.                         |
| (6) Hindoostan Mills.      | (23) Madhowji Dharamsi Mills.            |
| (7) Finlay Mills.          | (24) Sassoon and Alliance Silk Mills.    |
| (8) Indian Bleaching.      | (25) Sassoon Spinning and Weaving Mills. |
| (9) Seksaria Cotton Mills. | (26) Shree Niwas Cotton Mills.           |
| (10) Indian Woolen Mills.  | (27) Shree Ram Mills.                    |
| (11) Jam Mill No. 2.       | (28) Standard Mills.                     |
| (12) Kohinoor Mills.       | (29) Swan Mills.                         |
| (13) Madhusudan Mills.     | (30) Western India Mills.                |
| (14) Modern Mills No. 1.   | (31) Simplex Mills.                      |
| (15) Modern Mills No. 2.   | (32) Jacob Mills.                        |
| (16) Textile Mills.        | (33) Alex. & E. D. Mills.                |
| (17) New City Mills.       | (34) Manchester Mills.                   |
|                            | (35) Turkey Red Dye Works.               |

3. The managements of the mills concerned, it transpires, have already represented matters to the Hydraulic Engineer, but the position still continues very unsatisfactory, with the result that it leads to constant friction between mill managements and the municipal authorities in regard to the charges leviable for water supplied. My Committee are aware that the Standing Committee have prescribed certain procedure which would be applicable whilst the meter is out of order or is under repair, but the point is that this provision is of an emergency character, which should not in my Committee's view be advanced as a justification for the continuance of the present state of affairs. The Committee of the Association would greatly appreciate it if you could give this matter your early attention and ensure that the meters referred to are set right as early as possible. The list given in paragraph 2 of this communication is not probably exhaustive, but it is not thought that it will be difficult for the officers concerned to trace all defective meters for effecting the necessary repairs.

*Copy of letter No. O/1426, dated 14th March 1944, from the Municipal Commissioner for the City of Bombay, to the Association.*

**Subject :—DEFECTIVE WATER METERS IN TEXTILE MILLS.**

With reference to your letter No. 329, dated the 26th January 1944, on the subject noted above, I have the honour to state that I have looked into the matter and I find that complaints were made to the Hydraulic Engineer by the managements of several textile mills in the city including those mentioned by you regarding the defective condition of the water meters installed at their premises. Investigations carried out by his department showed that out of about 238 meters fixed on connections given to different textile mills, varying in sizes from  $\frac{1}{4}$ " to 8", about 75 were out of order. Thereupon steps were taken by him to repair some of the defective meters by replacing defective parts by sound parts removed from unserviceable meters or by new parts if they could be manufactured locally. Since the outbreak of war considerable difficulty is being experienced in getting new meters and spare parts and so far as meters of certain sizes are concerned, it has become almost impossible to get them or spare parts required for them from abroad. In spite of these difficulties every effort is being made by the Hydraulic Engineer to repair defective meters whenever it is possible. He has been able to repair more than half the number of defective meters but there are still many meters which cannot be repaired as spare parts are not obtainable. It is not also possible to supply new meters in place of these defective meters as they are not available.



In the above circumstances it is regretted that no further measures can be taken to remedy the present state of affairs. There is also no alternative but to compute charges for water consumed in cases in which meters have gone out of order, in accordance with the appropriate method laid down in the Water Charges Rules sanctioned by the Standing Committee.

I trust that your Committee will appreciate the difficulties of the Municipality in this matter, and advise member mills to pay bills forwarded to them as early as possible.

As regards meters which are out of order, I might mention that the meter hire charges for the period for which they are out of order are refundable under the Water Charges Rules and refunds are being given in all such cases.

I might also suggest that if the managements of mills are in a position to procure new meters, they could use them after getting them tested, sealed and fixed by the Hydraulic Engineer.

*Copy of letter No. 329, dated 20th April 1944, from the Association to the Municipal Commissioner for the City of Bombay.*

#### DEFECTIVE WATER METERS IN TEXTILE MILLS.

I am directed to acknowledge the receipt of your letter No. C/1426, dated the 14th March 1944, on the above subject, and to state that my Committee fully appreciate your difficulty in obtaining spare parts, etc., for repairs and maintenance of defective water meters. Their point, however, is that in such abnormal circumstances, the Standing Committee's Water Charges Rules are not being fairly interpreted and given effect to. To quote only one or two instances: My Committee are aware of a mill which, in February and March 1944, bleached 77,669 lbs. and 69,274 lbs. respectively of yarn. The water meter of the mill being out of order, they were billed on the basis of the consumption of water in February and March 1942 when the mills had bleached 167,752 lbs. and 114,876 lbs. of yarn respectively. There was another instance in which, though it was clear that the mill's turbine had been closed down and was not working in the billing month, the Municipality insisted upon the mill being billed on the basis of the reading given for the corresponding period of the previous year when the turbine was working.

What is pointed out is that, though the Water Charges Rules prescribe the wholesome principle that assessment should be on the most reliable data obtainable, the Billing Department has apparently tried to collect as much as possible from the mills concerned. In this view of the case, my Committee suggest that, where representations are made by individual mills regarding the unfairness of water charges bills presented by the Hydraulic Department, the matter should be gone into by the Hydraulic Engineer personally, and set right in a fair and most equitable manner. My Committee would greatly appreciate it if instructions on the lines of the suggestion contained in the preceding sentence could be passed on to the Hydraulic Department.

*Copy of letter No. C/1426, dated 22nd May 1944, from the Municipal Commissioner for the City of Bombay, to the Association.*

*Subject:—DEFECTIVE WATER METERS IN TEXTILE MILLS.*

With reference to your letter No. 329, dated the 20th April 1944, on the subject noted above, I have the honour to state that in accordance with the instructions already issued by me, representations made by individual mills for a revision of their bills are being considered by the Hydraulic Engineer on their merits and if he is satisfied about the reasonableness of the contention, steps are being taken by him to have the bills amended in a fair and equitable manner.

*Copy of letter No. 329, dated 29th May 1944, from the Association to the Municipal Commissioner for the City of Bombay.*

I beg to acknowledge with thanks the receipt of your letter No. C/1426, dated the 22nd May 1944, and to express the thanks of the Association for the action that you have taken in the matter.

### APPENDIX 5.

#### FORMATION OF AN ALL-INDIA HANDLOOM BOARD.

*Copy of letter No. 10058-J/39, dated 20th May 1944, from the Under Secretary to the Government of Bombay, Revenue Department, to the Association.*

I am directed to forward herewith copy of letter No. 171-Tex/B/44, dated 24th April 1944, from the Government of India, Department of Industries and Civil Supplies, and accompaniment and to request you to favour this Government at your earliest convenience with the views of your Association on the proposed formation of an All-India Handloom Board.

*Copy of letter No. 171-Tex/B/44, dated 24th April 1944, from Government of India, Department of Industries and Civil Supplies, to the Secretary to the Government of Bombay, Finance Department (Supply).*

I am directed to enclose an extract from the proceedings of a meeting held on 2nd December 1943 in Madras between officers of this Department, members of the Handloom Committee of the Textile Control Board, and representatives of the following Provincial and State Governments: Bengal, Madras, Bihar, United Provinces, Punjab, Bombay, Central Provinces, Orissa, Assam, Hyderabad, Baroda, Travancore and Cochin.

2. The view of the Government of India is that an All-India Handloom Board would serve a very useful purpose. Its functions might include:—

- (a) Recommendations to the Government of India as to what proportions of the yarn available from Indian production should be supplied to each Province and State interested in obtaining yarn for handloom weaving.
- (b) Assistance to handloom weavers through recognised associations or Provincial or State authorities in obtaining dyes, chemicals and stores, etc., at fair rates.
- (c) Consideration of the best means of marketing Indian handloom products.
- (d) Directing research measures. This would be, in the main, organising market rather than laboratory researches, and in this regard the Board would no doubt make use of the organisations already in existence in the several Provinces and States. Consideration of measures to improve production would fall naturally within the Board's purview.
- (e) The Board would assist in the administration of the grant-in-aid from the Government of India.



3. As regards the constitution of the Board, the tentative view of the Government of India is that some such form as that which follows might be appropriate :—

Representatives of the Provincial Governments and Handloom Industry	15
Representatives of States	4
Representatives of millowning interests and of the yarn trade (to be nominated by the Textile Control Board)	6
	25

It is desirable that the very closest contact be maintained with the Textile Control Board, and for this reason it is suggested that the Textile Commissioner should be appointed Chairman of the Board. An officer from the Textile Commissioner's office might serve as executive officer of the Board.

4. This letter merely puts forward in rather general terms the tentative views of the Government of India in this matter. Its object is to obtain the advantage of your views in the matter, and I am to say that your early comments and/or proposals would be appreciated. I am also to suggest that you consult such bodies as are interested in the handloom industry, e.g., Chambers of Commerce, Millowners' Associations, etc., before arriving at a final decision. It will be seen that the scheme outlined above would place no financial burden on you.

*Extract from the decisions reached at the joint meeting of the Provincial and State Governments' representatives held at Madras on the 2nd December 1943.*

7. Whether there should be a Handloom Board, and if so, what executive functions and officers should it possess.

The majority of the representatives welcomed the idea of an All-India Handloom Board, Bengal dissenting, but they felt that they could not at such short notice commit their Governments on so important a point and they asked that the proposal should be put to their Governments with a draft showing the functions which the Central Government proposes to entrust to such a Board and the interests which the Central Government would provide with representation on the Board. They also asked that the financial implications of such a scheme should be made clear in the note which should be circulated to their Governments. The majority view was that the Board should be a co-ordinating authority of the type of the All-India Central Cotton Committee and Imperial Council of Agricultural Research and its executive functions should be kept to the minimum. Bengal also was prepared to agree to a purely advisory Board.

*Copy of letter No. 51, dated 2nd June 1944, from the Association to the Secretary to the Government of India, Department of Commerce.*

I am directed to refer to a communication No. 171-TeX/B/44, dated the 24th April 1944, issued by the Government of India, Department of Industries and Civil Supplies, containing proposals for the establishment of an All-India Handloom Board, a copy of which has been forwarded to the Association for its views by the Government of Bombay. The details of the proposals are being examined by the Committee of the Association, but, in the meanwhile, I am directed to point out that the proposals are apparently on the lines of the recommendation made by the Fact Finding Committee (Handloom and Mills) which was constituted by the Government of India in the Commerce Department Resolution No. 110-Ind./18/40, dated the 25th January 1941.

A copy of the Report of the Fact Finding Committee was made available to the Association for its confidential information. But the decisions, if any, taken by Government on the facts collected by the Fact Finding Committee have not yet been made known either to the public or to the Association. I am directed, in this connection, to state that, when the question of the appointment of the Fact Finding Committee was discussed at the Twelfth Industries Conference held at Lucknow on the 16th and 17th December 1940, the representatives of the industry were definitely given to understand that the decisions of the Government on the report of the Fact Finding Committee would be placed before the 'next' Industries Conference. The Hon'ble the Commerce Member who presided over the Conference made the position clear in the following words :—

"When it (Fact Finding Committee) had reported it would be considered what further steps should be taken by the Government of India and Provincial Governments, and the results of this consideration would be placed before the next Industries Conference."

My Committee are not in agreement with many of the conclusions of the Fact Finding Committee nor do they subscribe to the correctness of all the facts collected by the Fact Finding Committee. In the circumstances, my Committee are of very strong opinion that, before implementing a part of the recommendations made by the Fact Finding Committee, the decisions of Government on the whole report should be made known, as originally proposed, and that the representatives of the cotton textile industry should be given an opportunity to submit their views thereon.

*Copy of letter No. 171-TB/44, dated 14th June 1944, from the Textile Officer to the Government of India to the Association.*

With reference to your letter No. 51, dated the 2nd June 1944, addressed to the Government of India in the Department of Commerce, I am directed to inform you that special officer, Mr. M. R. Kazmi, was appointed to report on the findings of the Fact Finding Committee. The suggestions of the officer were considered by the representatives of Provincial Governments and States and the Handloom Committee of the Textile Control Board at Madras on the 2nd and 3rd December 1943. Some of the recommendations of this conference have already been implemented, as, for instance, reduction in the prices of yarn. The recommendation regarding the constitution of an All-India Handloom Board is under consideration and the Government of India have invited comments of the Provincial Governments in consultation with Chambers of Commerce, Associations, etc., interested in the handloom industry, on the proposals.

2. I am to suggest that you may put forward your views on the subject to the Government of Bombay.

*Copy of letter No. 51, dated 19th July 1944, from the Association, to the Secretary to the Government of India, Department of Industries and Civil Supplies.*

I am directed to refer to my letter No. 51, dated 2nd June 1944, addressed to the Secretary to the Government of India, Department of Commerce, New Delhi, and to the Textile Officer's reply thereto No. 176-TB/44, dated 14th June 1944.

The Committee of the Association have again considered the whole position in the light of the explanation given by the Textile Officer to the Government of India. The Textile Officer refers to the appointment of Mr. Kazmi to report on the findings of the Fact Finding Committee. It is further pointed out that the suggestions of Mr. Kazmi were considered by the representatives of Provincial Governments and States and the Handloom Committee of the Textile Control Board at Madras on the 2nd and 3rd December 1943 and that some of the recommendations of this conference

have already been implemented, as, for instance, reduction in the prices of yarn. My Committee have in their letter dated 2nd June 1944 referred to the circumstances under which the original Fact Finding Committee was appointed and the undertaking given by the Honourable the Commerce Member, who was responsible for the appointment of the Committee. My Committee have no information regarding the circumstances under which the Special Officer came to be appointed by Government to report on the findings of the Fact Finding Committee, nor have they any knowledge of the nature of the enquiries made and recommendations submitted by the Special Officer to Government, and so far as this Association is aware, Mr. Kazimi's report does not seem to have been made available to any commercial organisation in the country. In view of the undertaking given by the Honourable the Commerce Member when the Fact Finding Committee was originally appointed, the procedure followed by Government in dealing with the Fact Finding Committee is absolutely incorrect and unfair to the Indian cotton textile industry, which is also vitally concerned with the findings of the Fact Finding Committee.

The Fact Finding Committee, as the name suggests, was primarily concerned with the collection of facts. What Government now apparently seek to do is to accept these facts as correct, and give effect to the recommendations which, according to the Fact Finding Committee themselves, are in the nature of peace-time measures. The establishment of an All-India Handloom Board, constituted as suggested by Government, and with the comprehensive terms of reference proposed, in my Committee's opinion, cannot fail to produce recommendations having as their background the present abnormal conditions created by the war, a situation which my Committee hope, Government themselves do not desire to bring about. My Committee are anxious that their attitude in this connection should not be misunderstood. They are not unsympathetic to the handloom weaver; they agree that all reasonable assistance should be given to the handloom weaver to obtain his *bona fide* yarn requirements at reasonable prices; and they further agree that he should if necessary be given all possible assistance in marketing his cloth. What my Committee, however, desire to point out is that the supply of yarn can be looked after by the existing Provincial Government organisations with the assistance of the Textile Commissioner, and as a matter of fact, this procedure already seems to have been followed in certain provinces. The problem of marketing does not afford any difficulty to-day, and as a matter of fact, the handloom cloth which is not subject to any control as regards maximum prices, is being sold more freely and at a higher rate than Indian mill-made cloth. My Committee, therefore, do not see any reason for the undue haste with which Government are seeking to give effect to the recommendations of the Fact Finding Committee without even consulting the interests concerned. The Textile Control Board with its appropriate sub-committees seem to be competent to tackle the requirements of the handloom weaver in the matter of yarn, and my Committee desire me to emphasise that this arrangement should continue for the duration of the war, and that in the meantime Government should formulate their own conclusions with regard to the findings of the Fact Finding Committee and place them before the interests concerned for consideration.

*Copy of letter No. 51, dated 21st July 1944, from the Association, to the Under Secretary to the Government of Bombay, Revenue Department.*

#### HANDLOOM INDUSTRY: FORMATION OF AN ALL-INDIA HANDLOOM BOARD.

With reference to the correspondence resting with this office letter No. 51, dated the 29th May 1944,\* I have the honour to enclose herewith for your information copies of correspondence exchanged between this Association and the Government of India on the above subject.

*Copy of Resolution, dated 12th February 1945 issued by the Department of Industries and Civil Supplies.*

No. 10/1-TC/45.—The Government of India have had under consideration the problems facing the handloom industry, which have been in many ways considerably aggravated by the war, and have now resolved to constitute an All-India Handloom Board with the following functions:—

- (1) To make recommendations to the Government of India on the proportion of the yarn available from Indian production which should be supplied to each Province and State interested in obtaining it for handloom weaving.
- (2) To assist handloom weavers in obtaining dyes, chemicals, stores, etc., at fair prices through their recognised associations or through Provincial or State Governments.
- (3) To investigate and report on the best methods of marketing handloom products.
- (4) To undertake research particularly into markets and the improvement of production. In pursuing such researches the Board should make use of any Provincial or State organisations already in existence.
- (5) To advise on the administration of the grant-in-aid given by the Government of India for the furtherance of the handloom industry.
- (6) To consider the conditions of work of handloom weavers.

If in the opinion of the Chairman any recommendation of the Board appears likely to affect in any manner the interests of the mill industry, he should, before submitting it to Government for their consideration, take steps to consult the Textile Control Board and obtain its views thereon.

2. The Board will consist of 30 members, who will hold office in the first place for one year.

- (i) The Textile Commissioner (ex-officio Chairman).
- (ii) Three non-officials nominated by the Government of India.
- (iii) 17 members nominated by the Provinces as follows:—

Assam	.. .. .	1
Bengal	.. .. .	3 (including 2 representatives of handloom industry)
Bihar	.. .. .	1
Bombay	.. .. .	2 (including 1 representative of handloom industry)
C. P.	.. .. .	1
Madras	.. .. .	4 (including 3 representatives of handloom industry)
Orissa	.. .. .	1
Punjab	.. .. .	2 (including 1 representative of handloom industry)
U. P.	.. .. .	2 (including 1 representative of handloom industry)

(iv) Four members nominated one each by the following States:—(a) Hyderabad; (b) Mysore; (c) Travancore; and (d) Kolhapur and Deccan States.

(v) Five members representing the millowning interest (nominated by the Textile Control Board).

3. The Special Officer, Handloom Board, will be Secretary to the Board, ex-officio.

4. The Board may appoint sub-committees to deal with specific subjects within its terms of reference.

5. These sub-committees may co-opt extra members to an extent not exceeding one-third of their numbers.

## APPENDIX 6.

## RESTRICTIONS ON WORKING LOOMS OR LOOM HOURS.

Copy of notification No. CYC-9-M(6), dated 20th December 1944, from the Government of India, Department of Industries and Civil Supplies, to all Mills.

In exercise of the powers conferred by sub-rule (2) of rule 81 of the Defence of India Rules, the Central Government is pleased to direct that, save with the written permission of the Textile Commissioner (Government of India), Bombay, no manufacturer of cloth other than handloom cloth shall work or cause or permit to be worked in his undertaking :—

- (a) Looms in excess of the number of looms working in the undertaking on 30th September 1944,
- (b) any loom for a period which in any one month exceeds the average number of hours of work per loom per month in the undertaking during the year ending 30th September 1944.

Copy of letter No. 284, dated 20th January 1945, from the Association to the Joint Secretary to the Government of India, Department of Industries and Civil Supplies, Bombay.

The attention of the Association has been drawn to the notification No. CYC-9-M(6), dated the 20th December 1944, issued by you to all mills. This notification, briefly stated, lays down that, save with the written permission of the Textile Commissioner, no manufacturer of cloth other than handloom cloth shall work or cause or permit to be worked in his undertaking :

- (a) looms in excess of the number of looms working in the undertaking on the 30th September 1944 ;
- (b) any loom for a period which in any one month exceeds the average number of hours of work per loom per month in the undertaking during the year ending 30th September 1944.

In other words, without the previous written permission of the Textile Commissioner, no cotton mill would be permitted to increase the number of working looms or loom hours beyond the limits attained in September 1944.

2. So far as my Committee are aware, due to the general unavailability of new looms, and labour's unwillingness to work extra hours, there is likely to be no increase in working looms or loom hours except in very special cases. Even in such cases, the additional quantity of yarn involved is not likely to be very substantial, and in this view of the case, my Committee feel that the circular was entirely unnecessary.

3. My Committee would also like Government to consider the case of mills which have been and are manufacturing heavy sorts like canvas against Defence requirements. As soon as these orders are completed, the mills concerned would naturally like to switch back to their civilian markets, and this cannot be done unless they increase the number of looms or the loom hours to absorb the higher count of yarn which would be spun in place of the yarn which they were making for canvas. In this view of the case, unless it is understood that every application for extra loom or loom hours would be promptly granted by the department, the notification would create a very difficult situation for the mills.

4. The notification seeks to defeat the fundamental objectives which Government and the industry had in view when the Textile Control Board and the Cloth and Yarn Control Order were set up. It is common ground that two of the most important objectives which those concerned had in view when the Textile Control Board was set up were (a) to increase production of cloth ; and (b) to bring down prices of cloth and yarn to reasonable levels ; in other words, both the industry and Government had in view the production of increased quantities of cloth and their distribution at controlled prices. Government need not be reminded of the fact that there is at present no control of prices so far as the handloom industry and its manufactures are concerned, and my Committee are unable to understand why Government, far from seeking to increase production of mill-made goods, which could be distributed at controlled rates, now seek to put a ceiling limit to such production and increase handloom manufactures where there is no price control. This is the place to enquire whether Government do not consider that the incentive which is at present being held out by them for the increased production and distribution of handloom cloth, which, it might be reiterated, is not subject to price control, would not in its turn encourage profiteering even in mill-made cloth and drive it into the black market.

Responsible officers of Government including the Honourable Members in charge of various portfolios have repeatedly urged on the Indian cotton textile industry the urgent need of stepping up production. My Committee do not feel that they are called upon to reproduce lengthy quotations from reports of various meetings in support of this fact, but they are unable to understand how Government propose to reconcile these appeals with the notification in question.

5. The Committee of the Association are not aware of the circumstances under which the above notification was issued. They are not also aware of the circumstances under which Government found it necessary to issue the Order under the Defence of India Rules without apparently consulting the Textile Control Board when Government themselves consider the Textile Control Board as the official representative of the industry.

6. My Committee venture to submit that there is scarcely any justification for official action of the nature visualised in the notification, which has, for its object, the improvement in the productive capacity of the handloom industry at the sacrifice of the Indian cotton mill industry and to the ultimate detriment of the consumer of cloth in this country. My Committee have given a very dispassionate consideration to this question, and all the figures they have analysed point out only to one conclusion, namely, that the step taken by Government is ill-advised. If, as is likely, Government's justification for the issue of this notification is scarcity of yarn for the handloom industry, then my Committee would immediately like to join issue with Government, and in doing so, would point out that, in the year 1943-44 at any rate, there were sufficient quantities of yarn available for consumption to the handloom industry. Scarcity, available in the counts in which the handloom industry actually wanted it. Inadequacy of transport arrangement is a factor well known to Government, and where difficulties arise on account of the proper count of yarn not being available, it is only a question of adjustment and the Indian cotton textile industry might be expected to render all possible assistance in meeting the situation.

In the preceding paragraph, my Committee have referred to the quantity of yarn available for sale to the handloom industry in the year 1943-44. Here are the figures :—

Total mill production less exports	(In million lbs.)
Add—Imports	1,680
	1
	<hr/>
Total available	1,681
	<hr/>
Quantity of cloth production in India	1,193
Approximate equivalent of yarn, taking 100 lbs. of yarn = 112 lbs. of piecegoods	1,065
Balance of yarn available for consumption in India	616

My Committee wonder whether, in the opinion of Government, the quantity indicated is insufficient for the handloom industry.

7. The Committee of the Association earnestly request that the notification in question be withdrawn. If, for any reason, it is not possible to do so forthwith, then my Committee respectfully suggest that this matter be placed on the agenda of the next meeting of the Industry's Committee which, I understand, will be held towards the end of this month.

Copy of extracts from the Gazette of India dated 31st March 1945.

No. T.C.(16) 1/45.—In pursuance of the powers conferred by sub-rule (2) of Rule 81 of the Defence of India Rules and in supersession of the notification of the Central Government No. T.C.(16)/44, dated 28th December, the Central Government is pleased to direct that, save with the permission of the Textile Commissioner (Government of India) Bombay,

- (1) no manufacturer of cloth who has no spinning plant shall work, cause or permit to be worked—
  - (a) looms in excess of the number of looms working in the undertaking on the 30th September 1944;
  - (b) any loom for a period which in any one month exceeds the average number of hours of work per loom per month in the undertaking during the year ending 30th September 1944;
- (2) no manufacturer of cloth who has a spinning plant shall, in any quarter—
  - (a) purchase a quantity of yarn exceeding one-fourth of the quantity of yarn purchased by him in the year 1944;
  - (b) sell a quantity of yarn less than one-fourth of the quantity of yarn sold by him in the year 1944.

## APPENDIX 7.

### EXCESS PROFITS TAX ACT—RECTIFICATION AND REOPENING OF ASSESSMENTS.

Copy of letter No. 138, dated 19th October 1944, from the Association, to the Secretary, the Central Board of Revenue, Simla.

The Committee of the Association had the pleasure of meeting Sir John Sheehy and Mr. C. W. Ayers when they visited Bombay recently. The Committee referred to certain matters which required to be borne in mind at the end of the war when the excess profits tax may be removed, and Sir John suggested that the Association might put these in writing for the consideration of the Board.

2. I am accordingly addressing this representation to you in the hope that the points made will receive due consideration.

3. The first point relates to the expenditure which would have to be incurred in re-converting the industry to the post-war footing, especially if that expenditure had to be incurred after the excess profits tax had been removed. It is thought that this point could be overcome by making it a rule that if such conversion takes place within a specified reasonable period after the termination of the war, or the removal of the excess profits tax whichever is later, it should be allowed as an expenditure and adjusted in the last E.P.T. assessment.

4. The second point relates to the question of repairs and renewals, which were due during the war, but which could not be carried out without stopping the machinery, and thereby curtailing production, and had therefore been deferred until the end of the war. It is suggested that, where an industry has set aside a special sum for repairs and renewals, it should be allowed as deduction for the purpose of E.P.T. even though it had not been utilised, on the understanding that if the amount was not utilised within a reasonable period after the termination of the war, then whatever had not been utilised would be regarded as income in the last year of the E.P.T. and assessed as such.

5. The third point is that return of the industry from war-time production to peace-time production may involve the scrapping of buildings, plant and machinery which had been provided as part of the war effort. The law already provides relief in respect of any loss so incurred, but it is thought that relief should not be confined to cases where the equipment is actually scrapped, but should cover also any loss of value in cases where the equipment may continue in use.

6. The fourth point relates to trading stocks with mills. As you are aware, mills may have at the end of the war stocks of various items which are carried at higher cost than will probably be justified by peace-time conditions. Stock figures and valuations are carefully scrutinised by the Taxation Officer to ensure that they are not unduly written off, and it is suggested that, if the valuation taken for the purposes of assessment in the last year of the E.P.T. is not realised within a reasonable period thereafter, the assessee should be given an opportunity for reopening the last E.P.T. assessment with a view to set off the loss arisen from the drop in valuation.

7. The fifth point relates to cases in the last year of the E.P.T. when there may not be sufficient information at the time of the closing of accounts, and it may be possible for an assessee to discover a loss after a year or two following the closure of the accounts. In *bona fide* cases, it is felt that the assessee should be given an opportunity to reopen the E.P.T. assessment if he proved to the satisfaction of the authorities within a reasonable time after the assessment that when he closed the accounts he did not have sufficient information at his disposal to ascertain the exact loss.

8. My Committee have only set forth some of the points which have occurred to them for the time being, and they would like to supplement this representation from time to time as further issues are brought to their notice.

Copy of letter C. No. 13(26)-E.P./44, dated 14th November 1944, from the Secretary, Central Board of Revenue, to the Association.

I have to inform you that your letter No. 138 of the 19th October has been considered by the Board, and that I am directed to convey to you the following comments upon the points made in the later paragraphs of your letter.

Para 3. The question of the cost of "Reconverting the industry to the post-war position."—It is not clear what are the types of expenditure that the Association has in mind, and it is considered that detailed information on the point is desirable.

Para 4. Deferred repairs are provided for under section 26(3) of the Excess Profits Tax Act, and there appears to be no reason for such action as is proposed by the Association.

Para 5. The point is noted for consideration in due course.

Para 6. This point also is noted, but obviously its relevance depends upon the date to which the levy of excess profits tax is extended, and what are the circumstances affecting industry at that time.

Para 7. Here again, it is considered that it would be well if the Association were to give examples of the types of loss that it has in mind.

Copy of letter No. 138, dated 22nd December 1944, from the Association to the Central Board of Revenue, New Delhi.

I have the honour to acknowledge receipt of your letter No. 13(26)-E.P./44, dated the 14th November 1944, and to say that my Committee desire to submit the following explanation in regard to the points on which additional information is required by the Board.

*The question of the cost of "reconverting the industry to the post-war position."* The explanation here is that certain expenses have already been incurred by the industry in converting it to a war footing, and incidentally to earn excess profits. This expenditure, it is pointed out, has already been allowed as revenue in computing E.P.T., but the point is that the owner of the factory may not be able to claim the same facilities when reconverting the industry to the post-war footing if, at the time the expenses were incurred, the E.P.T. had already been removed. In this view of the case, it is thought that if reconversion took place within a reasonable period after the termination of the war or the removal of the E.P.T., whichever is later, it should be allowed as an expenditure and adjusted in the last E.P.T. assessment.

My Committee are aware that deferred repairs are provided for under section 26 (3) of the Excess Profits Tax Act, but they do not know how these claims are being dealt with in practice. During the war, it has not been possible to obtain the regular spare parts from the machinery manufacturers, and in consequence, machinery has been kept running by using locally made parts which, it will be admitted, are inferior in quality and deteriorate more rapidly. What my Committee would, therefore, like under this head is an assurance that a claim for deferred repairs would be permitted which would allow the industry the cost of putting in the genuine spare parts which would have been used under normal conditions, so that machinery can be put into the condition in which it would have been kept in normal circumstances, subject, of course, to normal wear and tear.

Turning to paragraph 7 of this Association's letter dated 19th October 1944, I am desired to explain that this provision was intended to ensure that any losses which the assessee can legitimately claim to set off against excess profits can be allowed, and not excluded merely because they are not specifically covered by legislation. For instance, many businesses have debts owing to them from customers resident at present in enemy-occupied territories. These debts have probably been written off as irrecoverable by the assesses, but have been disallowed in their tax assessments on the ground that it is not known that they are irrecoverable and that any claim would be allowed when it has finally been ascertained that such debts are bad. These debts definitely refer to the period during which the E.P.T. legislation was in force, but it may not be possible to finalise such claims and get them admitted during the continuance of the E.P.T. Act.

*Copy of letter C. No. 13(26)-E.P./44, dated 6th January 1945, from the Secretary, Central Board of Revenue, to the Association.*

I have to thank you for your letter of the 22nd December and to inform you—

1. that if, during the excess profits tax chargeable accounting periods a mill that was converted from its pre-war state to a state necessary to meet the demands of war-time conditions is reconverted to its former state the cost of reconversion will be allowable as a revenue expense. The question of expenses similarly incurred after the termination of excess profits tax is a matter to be considered with many others when providing for the termination of the tax ;
2. that the Board has given a number of directions under section 26 (3), some of them on applications from members of the industry represented by your Association. So far as is known to the Board no complaints have arisen in connection with the application of the sub-section to deferred repairs ;
3. that, as regards debts due from persons in enemy-occupied countries, the practice of the Board in relation to debts due from persons in enemy countries will be followed if the assessee makes a claim to the Excess Profits Tax Officer in respect thereof. The practice referred to is set out in paragraph 116 of "Notes and Instructions on the Excess Profits Tax Act, 1940."

## APPENDIX 8.

### INCOME-TAX AND EXCESS PROFITS TAX ACTS.

#### BUSINESS DEDUCTION IN RESPECT OF DONATIONS MADE TO RESEARCH INSTITUTIONS SET UP BY THE TRADE.

*Copy of letter No. 200, dated 12th September 1944, from the Association to the Secretary to the Government of India, Department of Finance.*

I am directed to address you in connection with the contributions made by members of this Association to a fund raised by this Association on behalf of the Department of Chemical Technology of the University of Bombay. For ready reference, I enclose herewith copy of an appeal\* made by the Chairman of the Association and enclosures\* thereto.

In response to the Chairman's appeal, about Rs. 4 lakhs were collected from members of the Association and this will be handed over to the University authorities in the course of the next few days. Member mills who made the contribution claimed the amount actually donated by them as a business deduction, but this has since been disallowed by the Income-tax Officers, and there seems to be no doubt that the decision of the Income-tax Officer in each case is strictly in conformity with the provisions of the law, and I am to put forward in this representation a case for sympathetic consideration of Government on the following grounds :—

The Department of Chemical Technology of the University of Bombay, I am first of all to explain, is an institution set up by the Bombay University. It has been doing very useful research work, and the fund which we have raised is intended to help the Department in extending its activities in directions which cannot but be beneficial to the cotton textile industry. In this connection, your attention is particularly invited to the enclosure to my Chairman's appeal to all members of the Association which explains the purposes for which the donations made by member mills will be utilised by the Department.

The Department of Chemical Technology has been recognised by the Board of Scientific and Industrial Research ; the University received from the Board a sum of Rs. 16,482 in 1943-44 and Rs. 21,900 in 1944-45. There is also an annual grant from the Board varying from Rs. 16,800 to Rs. 23,400. In addition, a sum of about Rs. 20,000 is being paid by the Board for three schemes, viz., (a) vat dyes ; (b) constitution and purity of commercial dyes ; and (c) preparation of aniline from chlorobenzene.

The Chancellor of the Exchequer in the United Kingdom recently, announcing certain taxation concessions, said :—

"I propose also that any payment, whether for capital purposes or not, made by a trader to a central research body approved by the Department of Scientific and Industrial Research, should be allowed, as and when made, as a deduction in computing the profits of the concern."

The Department of Chemical Technology of the University of Bombay completely fulfils the condition indicated by His Majesty's Chancellor of Exchequer, and I am directed to submit that, in view of the important and beneficial part which the Department of Chemical Technology will play in the future development of the industry, the contributions made by members in aid of that institution should be allowed in computing the assessable profits.

\* Not printed.

## APPENDIX 9.

## AMENDMENT OF THE TRADE MARKS RULES—1942.

INCORPORATION OF A NEW RULE—RULE 86A—TO PROVIDE FOR SEARCH BY THE REGISTRAR TO ASCERTAIN WHETHER A PROPOSED TRADE MARK RESEMBLED A TRADE MARK ALREADY IN THE REGISTER.

*Copy of letter No. 214, dated 18th August 1944, from the Association to the Secretary to the Government of India, Department of Commerce.*

The attention of my Committee has been drawn to Government notification No. 405-Ind. (T.M.) (1)/43, dated the 22nd April 1944, which seeks to add Rule 86A to the Trade Mark Rules. Briefly stated, the proposed rule states that any person may request the Registrar to cause a search to be made in respect of specified goods to ascertain whether any mark in the Register or among pending applications for registration or in the Refused Textile Trade Marks List, resembles a trade mark proposed to be introduced by the former. It is further laid down that the Registrar shall cause a search to be made, and the person making the application is proposed to be informed of the results of the search. In the view of the Committee of the Millowners' Association, the arrangement proposed is very reasonable, and should be incorporated in the rules. Any person who desires to introduce a trade mark would greatly appreciate information beforehand which would enable him to judge the chances of it going through. The proposed provision, which seems to have been taken *en bloc* from the British Trade Marks Act, would not only serve to cut out the submission of applications for the registration of trade marks, which resemble trade marks which have already been placed in the Register, but would also help the applicants and those who may have to object to the application at a later date, to avoid all sorts of expenses.

As the Association understands that the Registrar has already started registering the trade marks, the incorporation of this rule should no longer be delayed.

*Extract from the "Gazette of India," dated 19th August 1944, Part I, Section I, page 1092.*

No. 405-Ind. (T.M.) (1)/43.—In exercise of the powers conferred by sub-section (1) of section 84 of the Trade Marks Act, 1940 (V of 1940), the Central Government is pleased to make the following further amendments to the Trade Marks Rules, 1942, the same having been previously published as required by the said sub-section, namely:—

## I. In the said Rules,

(1) In rule 1, after sub-rule (2), the following shall be inserted as sub-rule (3), namely,

"(3) They extend to the whole of British India including those excluded and partially excluded areas in which the Act is for the time being in force."

(2) After rule 86, the following rule shall be inserted namely—

"86A. *Request to Registrar for search.*—Any person may in Form TM-54 request the Registrar to cause a search to be made in respect of specified goods classified in any one class of the Fourth Schedule to ascertain whether any mark in the Register or among pending applications for registration or in the Refused Textile Marks List resembles a trade mark of which duplicate representations accompany the Form. The Registrar shall cause such search to be made and the person making the request to be informed of the result thereof."

(3) In rule 142, for the words "An officer of Gazetted status," the words "The Deputy Registrar of Trade Marks" shall be substituted;

## II. In the schedules annexed to the said Rules—

(1) in the First Schedule, after entry 59, the following entry shall be inserted, namely,—

"59A. On request for a search under rule 86A in respect of one class . . . . . Ra. 7 8 0 TM-54."

(2) in the Second Schedule, after the entry relating to Form No. TM-53, the following entry shall be inserted, namely—

"TM-54 (Rule 86A) Request for search under rule 86A . . . . . 59A"

(3) in the Forms set out in the Second Schedule, after Form TM-53, the following Form shall be inserted, namely—

FORM TM-54  
(Fee Rs. 7-8-0)

TRADE MARKS ACT, 1940.

*Request for search under Rule 86A.*

The Registrar is hereby requested under Rule 86A to search in Class\* . . . . . in respect of (a) . . . . . to ascertain whether any trade marks are on record which resemble the trade mark sent herewith in duplicate (each representation being mounted on a sheet of strong paper approximately 13 inches by 8 inches in size).

Dated this . . . . . day of . . . . . 19 . . . . .

(b) . . . . .

(c) . . . . .

## APPENDIX 10.

## AMENDMENT OF THE BOMBAY INDUSTRIAL DISPUTES ACT.

*Extracts from the "Bombay Government Gazette," Part V, dated 25th September 1944.*

*Copy of Notification No. 6481/34 dated 22nd September 1945, issued by the Chief Secretary, to the Government of Bombay, Political and Services Department.*

No. 6481/34.—The following draft of a Bill to amend the Bombay Industrial Disputes Act, 1938 (Bombay XXV of 1938), is published for the information of all persons likely to be affected thereby and notice is hereby given that the draft will be taken into consideration by the Government of Bombay one month after the date of its publication in the *Bombay Government Gazette*.

\* The Registrar's direction should be obtained if the Class is not known.

(a) Here specify the goods (in the class stated) in respect of which the search is to be made.

(b) Signature.

(c) Address.



2. Any objection or suggestion which may be received by the Chief Secretary to the Government of Bombay, Political and Services Department, Bombay, from any person with respect to the said draft within the said period of one month will be considered by Government :—

*A Bill to amend the Bombay Industrial Disputes Act, 1938.*

Whereas it is expedient to amend the Bombay Industrial Disputes Act, 1938, for the purpose hereinafter appearing ;

And whereas the Governor of Bombay has assumed to himself under the Proclamation dated the 4th November 1939 issued by him under section 93 of the Government of India Act, 1935, all powers vested by or under the said Act in the Provincial Legislature ;

Now, therefore, in exercise of the said powers, the Governor of Bombay is pleased to make the following Act :—

1. *Short title.*—This Act may be called the Bombay Industrial Disputes (Amendment) Act, 1944.

2. *Amendment of section 25 of Bombay XXV of 1938.*—In section 25 of the Bombay Industrial Disputes Act, 1938, after sub-section (3), the following new sub-section shall be inserted, namely :—

“(3A) A Labour Officer may, after giving reasonable notice, convene a meeting of the employees of an employer, for any of the purposes of this Act, on the premises where the employees are employed for work and may require the employer to affix notice of the meeting at such conspicuous places in the premises as he may order. The notice shall be so worded and contain such particulars as the Labour Officer may direct.”

STATEMENT.

There is no provision in the Bombay Industrial Disputes Act, 1938, under which it would be possible for the Labour Officer to hold for any of the purposes of the Act meetings in the mill compounds if the millowners object to permit the use of their premises for the meeting. It is proposed, therefore, to amend the Act to take power to the Labour Officer to do so and to require the employer to post notices of such meetings at such places on the premises as he may order.

*Copy of letter No. 78, dated 20th October 1944, from the Association to the Chief Secretary to the Government of Bombay, Political and Services Department.*

The attention of my Committee has been drawn to notification No. 6481/34, dated the 22nd September 1944, published in Part V of the *Bombay Government Gazette*, dated the 25th September 1944. The notification in question refers to certain proposed amendments in the Bombay Industrial Disputes Act, 1938, and objections and criticisms have been invited before the 23rd October 1944.

Briefly stated, the amendment appears to have a twofold object :—

- (a) It empowers the Government Labour Officer to convene a meeting of the employees within the mill premises ; and
- (b) It also empowers him to require the employer to affix a notice of the meeting at such conspicuous places in the premises as he may order, and it is further provided that the notice “shall be so worded and contain such particulars as the Labour Officer may direct.”

The Committee of the Association have given the most dispassionate consideration to the proposed amendment ; they regret, however, they are unable to accept it for the following among other reasons. They also desire me to point out that the success of the Bombay Industrial Disputes Act in Bombay City and Island at any rate, has been, to a very large measure, due to the very close co-operation which the Government and the Government Labour Officer have received from the Association. The Association has always adopted a very generous attitude in the interpretation and working of the Act, and my Committee had always believed that, before proposing vital amendments in the operative provisions of the Act, Government would take into confidence representatives of the Association as they had done on previous occasions. Since, however, the proposed amendment has been published, my Committee have no option but to submit a representation, but it is still felt that, by a joint discussion, the objects which Government have in view in proposing this amendment, could be achieved without bringing forward an amendment of this character.

Turning now to the principal objects underlying the amendment referred to in the second paragraph of this letter, my Committee desire me to point out at the outset that so far as (a) is concerned, there has been no provocation for an amendment of this character from mills in Bombay City and Island. The Committee are aware that permission to hold meetings was sought for in mills in Sholapur, which was refused, but according to the information with the Association, the reason for this refusal was associated with the maintenance of law and order in Sholapur, where the District Magistrate himself, the Association understands, issued an order prohibiting the holding of any meetings whatsoever within the city limits of Sholapur. Whatever may have been the position in the past, the situation, the Committee now understand, has changed, and to-day mills in Sholapur are allowing the Government Labour Officer to hold meetings within the mill premises. If the position is, as my Committee are informed, then it is pointed out that the need for an amendment of the Act clothing the Government Labour Officer with such extraordinary powers, has not been made out. My Committee are aware of the fact that certain Government officers have been empowered by statute to enter private premises under certain circumstances, but the need for such powers, it is submitted, does not arise in the case of the Government Labour Officer and the Bombay Industrial Disputes Act where the Act, which is yet in the experimental stage, is being worked with the closest co-operation of the employers.

Turning to the second object underlying the amendment, my Committee's objections thereto are even stronger than to the proposal regarding the right of entry proposed to be conferred on the Government Labour Officer. The procedure which has been followed so far is to put up a notice in prominent places in the mill premises announcing the date and time of the meeting. If an intimation of a notice of change under section 28 is backed up by a substantial section of workers, a simple notice of meeting, as is being put up at present, is considered to be quite sufficient for all practical purposes, and my Committee do not see why the Government Labour Officer should be empowered to direct the employer to affix the notice of the meeting at such conspicuous place or places in the premises as he may order, and why the notice should be so worded and contain such particulars as the Labour Officer may direct. The object of the meeting itself, according to the Bombay Industrial Disputes Rules, is to enable the Government Labour Officer to explain the purport of the notice of change and in this view of the case, there seems to be no necessity of putting up a notice of meeting worded and containing such particulars as the Labour Officer may direct.

My Committee have put forward their case as briefly as possible. They feel strongly that the proposed amendment is unnecessary, and they would be grateful if the Hon'ble the Adviser to His Excellency and the Officers concerned with the administration of the Bombay Industrial Disputes Act would kindly grant an opportunity to two or three representatives of this Association to meet them and put forward the Association's case before Government take final action in this matter. The Chairman of the Association will shortly be proceeding to Delhi in connection with the Third Tripartite Labour Conference, and will stay on to attend the ensuing Legislative Assembly sessions. He will be back by the end of November, and it is suggested that the meeting asked for be held some time at the end of November.



## APPENDIX 11.

## ADJUDICATION OF TRADE DISPUTES—RULE 81A OF THE DEFENCE OF INDIA RULES.

*Copy of letter dated 27th March 1944, from the Employers' Federation of India to all members of the Federation.*

I enclose herewith, for your consideration, copy of a letter received from the Government of India giving cover to a draft amendment to Rule 81A of the Defence of India Rules with a view to provide for joint adjudication of trade disputes in similar undertakings in the same or neighbouring locality under certain conditions. As mentioned in Government's letter, this question was previously raised by Government in a communication issued by them in January 1943 (*vide* this office circular dated 11-1-1943). The issue was also discussed at the Second Meeting of the Standing Labour Committee held at New Delhi on 25th January 1943, and Government subsequently decided not to proceed with the proposal for the time being.

Briefly stated, the unanimous viewpoint of employers on the original draft was that the inclusion of similar undertakings in adjudication proceedings should be permitted only on a *joint application* by both the employers and the workers concerned. In the course of the discussion at the meeting of the Standing Labour Committee, it was, however, suggested by a Government delegate that, instead of giving discretionary powers to an adjudicator, it might be left to Government to decide whether the scope of a particular adjudication proceedings might be extended to undertakings other than the one to which it was originally intended. This suggestion was commended for consideration by the Hon'ble Member for Labour with the Government of India who presided at the meeting, and Sir Frederick Stones, who was one of our delegates, was inclined to agree to it. As the draft now submitted by Government proposes to give effect to the above suggestion, the President of the Federation suggests, for your consideration, its acceptance unless it is felt that the position previously taken up by employers, namely, that the inclusion of similar undertakings in adjudication proceedings should be permitted only on a joint application by both the employers and the workers concerned, should be adhered to. His own view is that the modified proposal now under consideration should not be opposed.

An early reply indicating your views will be much appreciated.

*Copy of letter No. L.R. 16, dated the 25th February 1944, from the Under Secretary to the Government of India, Department of Labour, to the Federation.*

"I am to refer to the correspondence ending with this department letter No. L. 3005, dated 23-2-1943, to all Provincial Governments (copy endorsed to you) on the subject of amending Defence of India Rule 81A so as to provide for joint adjudication of trade disputes in similar undertakings. In the conditions then prevailing it was decided to drop the proposal. However, the need and usefulness of machinery providing for joint adjudication have again been brought to the notice of Government. The Government of India consider that the proposal should be proceeded with now and accordingly contemplate amending the said rule as in the draft attached hereto. It will be noted that this draft differs from the one previously circulated in that, firstly, the power of including particular undertakings in the adjudication proceedings is now proposed to be vested in Government instead of in the adjudicating authority and, secondly, the expression "association representing the workers of the undertaking" in the former draft has now been replaced by the words "representative section of the workers of the undertaking."

"I am to request that this Department may be favoured early with the views of your Federation on the general question, and also on the suitability of the amendment now suggested."

## DRAFT AMENDMENT TO DEFENCE OF INDIA RULES.

In rule 81A of the said Rules, after sub-rule (1), the following sub-rules shall be inserted, namely:—

(1A) Where a trade dispute referred for adjudication under clause (c) of sub-rule (1) has arisen only in a particular undertaking or group of undertakings, the Central Government may include in the adjudication proceedings any other undertaking in the same or a neighbouring locality, notwithstanding that no trade dispute exists at the time in that undertaking, either on its own initiative or on an application being made in that behalf by the employer concerned or by or on behalf of a representative section of the workers of the undertaking, provided that the Central Government is satisfied—

- (a) that the undertaking to be so included is engaged in the same type of industry or business as the undertaking or the group of undertakings in which the trade dispute referred for adjudication has arisen; and
- (b) that the inclusion of the undertaking in the adjudication proceedings will not materially delay the award; and
- (c) that the issues involved in the trade dispute referred for adjudication are such as might give rise to a similar dispute in the undertaking.

The decision of the Central Government as to whether or not the application has been made by a representative section of the workers shall be final.

(1B) Where an undertaking has been included in adjudication proceedings under sub-rule (1A) the provisions of this rule and of any order or award made thereunder shall (save as may be expressly provided to the contrary in any such order or award) apply to and in relation to such undertaking in which the trade dispute referred for adjudication has arisen."

*Copy of letter No. 166, dated 29th May 1944, from the Association to the Employers' Federation of India, Bombay.*

I am directed to acknowledge the receipt of your letter dated the 27th March 1944, and to state that the proposed amendment of Rule 81A of the Defence of India Rules has been carefully considered by the Committee of this Association. They have reviewed, in the light of the attitude adopted by Government, particularly in Bombay, towards industrial disputes, the views expressed by the representatives of the employers when the original draft came up for consideration and feel that the proposal to confer the right to extend the proceedings to other establishments on the Central Government either on their own initiative or at the instance of a representative section of labour is likely to have dangerous consequences. I am, accordingly, directed to suggest that the Federation should adhere to the position previously taken up by employers and request the Government to observe the principles laid down in the Bombay Industrial Disputes Act where (a) the employers—and the employers only—have the right to ask for the extension of the issues covered by a notice of change given by an employee and (b) only registered or qualified unions have the right to ask for extension of the issues covered by a notice of change given by an employer, to other establishments. The extension of adjudication proceedings could also be permitted, in accordance with the views which the employers had already expressed, on a joint application by both employers and the workers concerned. I am directed, however, to point out that the term "representative section of the workers" used in the amendment is somewhat vague, and it is suggested that it should be laid down that the application should be made on behalf of a majority of the workers of the undertaking.

*Copy of letter dated 7th November 1944, from the Employers' Federation of India to the Association.*

It will be recalled that the Government of India had, some time ago, asked for our views on a draft amendment to Rule 81A of the Defence of India Rules with a view to provide for joint adjudication of trade disputes in similar undertakings under certain circumstances. Taking into consideration the criticisms received from members, the Federation submitted to Government a representation on the 8th September 1944, as per copy enclosed.\*

At the time of the last Plenary Labour Conference at Delhi on the 28th October, Mr. H. C. Prior, Secretary of the Department of Labour, took an opportunity to speak to Sir Vithal Chandavarkar, one of our delegates, about the points we had raised in our letter of the 8th September. At the latter's suggestion, we have now received a D.O. letter\* from the Labour Department setting forth Government's reactions to our suggestions and requesting us to reconsider our attitude towards the Government's proposal. The following points have been made by Government:—

1. Most interests other than our Federation have agreed to the proposal to provide for joint adjudication.
2. In the opinion of Government, it would hardly be possible that employers and workers would make a joint application for adjudication as suggested by us.
3. In the revised amendment, Government have agreed to omit the phrase "a representative section of the workers" in sub-clause (1A).
4. Government are willing to substitute, as suggested by us, the words "whether a trade dispute exists at the time in that undertaking or not" for the words used in the draft sub-clause (1A).
5. Government regard the suggestion made by us in the last paragraph of our letter, in regard to sub-clause (c) of Clause 1A on the draft, as very important, and are prepared to include the substance of the suggestion contained therein.

Taking into consideration the fact that the proposed amendment is in respect of the Defence of India Rules, which is an emergency measure, and having regard to the helpful manner in which Government have given consideration to our criticisms, the President wishes to recommend to members the acceptance of the proposals as they have now emerged from Government.

As the matter is very urgent, I shall appreciate it if you will kindly communicate your decision as early as possible

*Copy of telegram dated 22nd November 1944, from the Employers' Federation of India, to the Government of India, Department of Labour.*

Reference D.O. letter second November from Mr. Joshi regarding joint adjudication. While Federation opposed in principle to extension of adjudication except on joint application by both parties, Federation with exception of Madras members would agree to revised proposals purely as emergency measure.

*Copy of circular No. 166, dated 13th January 1945, from the Association to all Members of the Association.*

Further to my circular No. 166, dated the 16th December 1943, I circulate herewith, for the information of members, a copy of sub-rule (1A) which has now been inserted after sub-rule (1) of Rule 81A of the Defence of India Rules, by an amendment dated 30th December 1944. The new sub-rule empowers the Central Government, under certain circumstances, to include in the adjudication proceedings in respect of a particular undertaking or a group of undertakings any other undertaking wherein a trade dispute has not actually arisen:—

#### RULE 81A OF THE DEFENCE OF INDIA RULES.

"(1A) Where a trade dispute referred for adjudication under clause (c) of sub-rule (1) has arisen only in a particular undertaking or group of undertakings, the Central Government may include in the adjudication proceedings any other undertaking either on its own initiative or on an application received in this behalf, whether a trade dispute exists at the time in that undertaking or not provided that the Central Government is satisfied

- (a) that the undertaking to be so included is engaged in the same type of industry or business as the undertaking or the group of undertakings in which the trade dispute referred for adjudication has arisen; and
- (b) that the inclusion of the undertaking in the adjudication proceedings will not materially delay the award; and
- (c) that the issues involved in the trade dispute referred for adjudication have already given rise, or are such as, in the circumstances, may reasonably be expected to give rise, to a similar dispute in the undertaking to be so included.

(1B) Where an undertaking has been included in adjudication proceedings under sub-rule (1A) the provisions of this rule and of any order or award made thereunder shall (save as may be expressly provided to the contrary in any such order or award) apply to and in relation to such undertaking as they apply to and in relation to any undertaking or group of undertakings in which the trade dispute referred for adjudication has arisen."

### APPENDIX 12.

#### THE INDIAN TRADE UNIONS ACT—AMENDMENT.

##### RECOGNITION OF TRADE UNIONS.

*Copy of letter No. L.O. III-1005, dated 1st February 1944, from the Commissioner of Labour, Bombay, to the Association.*

*Subject:—THE INDIAN TRADE UNIONS (AMENDMENT) BILL.*

I am directed to forward copies of the above Bill, which was introduced in the Legislative Assembly by the Hon'ble the Labour Member, with the Statement of Objects and Reasons and of an extract from the Legislative Assembly Debates dated 13th November 1943\* regarding the Bill and to request you to let me have the views of your Association generally on the proposals in the Bill or specifically on individual clauses thereof together with suggestions for modifications, if any. I should also be glad to have the views of your Association on the following two points:—

- (1) Whether any further conditions for recognition should be laid down in clause 28D (1) so that the powers of prescription under part (g) thereof may be more limited;
- (2) Whether any conditions should be laid down in the Bill, that should be satisfied before a trade union is considered as fit to be recognised.

The members of your Association are not being separately addressed.

2. I shall be glad if you will kindly arrange to send your reply as early as possible, at any rate not later than the 9th February 1944.

(Extract from the Gazette of India dated the 13th November 1943, Part V.)

The following Bill was introduced in the Legislative Assembly on the 8th November, 1943 :—

L. A. BILL No. 38 of 1943.

*A Bill further to amend the Indian Trade Unions Act, 1926.*

Whereas it is expedient further to amend the Indian Trade Unions Act, 1926 (XVI of 1926), for the purposes hereinafter appearing ;

It is hereby enacted as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Indian Trade Unions (Amendment) Act, 1943.
- (2) It shall come into force on such date as the Central Government may, by notification in the official *Gazette*, appoint.
2. *Amendment of the long title of Act XVI of 1926.*—In the long title of the Indian Trade Unions Act, 1926 (XVI of 1926) (hereinafter referred to as the said Act), after the word "registration" the words "and recognition" shall be inserted, and after the word "registered" the words "and recognised" shall be inserted.
3. *Amendment of the preamble to Act XVI of 1926.*—In the preamble to the said Act, after the word "registration" the words "and recognition" shall be inserted, and after the word "registered" the words "and recognised" shall be inserted.
4. *Amendment of section 2, Act XVI of 1926.*—In section 2 of the said Act,—
  - (a) after the words "the appropriate Government" means, the words, figure and letter "subject to the provisions of section 28A" shall be inserted ;
  - (b) clause (a) shall be relettered as clause (aa), and, before clause (aa) as so relettered, the following clause shall be inserted, namely :—
 

' (a) "Board" means in relation to a Trade Union a Board of Recognition appointed by the appropriate Government under sub-section (1) of section 28B ;'
  - (c) after clause (c), the following clause shall be inserted, namely :—
 

'(cc) "Recognised Trade Union" means a Trade Union recognised under this Act ;'
5. *Insertion of new Chapter IIIA in Act XVI of 1926.*—After Chapter III of the said Act, the following Chapter shall be inserted, namely :—

" CHAPTER IIIA.

*Recognition of Trade Unions and Rights and Liabilities of recognised Trade Unions.*

28A. *Modification of the definition of 'the appropriate Government' for certain purposes.*—Notwithstanding anything to the contrary in the definition of 'the appropriate Government' in section 2, the Central Government shall be deemed to be the appropriate Government for the purposes of this chapter in respect of trade unions consisting of workmen employed by the Central Government or by a Federal Railway or in a major port.

*Explanation.*—In this section and for the purposes of this chapter, a trade union of which not less than seventy per cent. of the members are workmen employed by the Central Government or by a Federal Railway or in a major port, shall be deemed to be a trade union consisting of workmen employed by the Central Government or by a Federal Railway or in a major port, respectively.

28B. *Appointment and constitution of Boards of Recognition.*—(1) The appropriate Government may appoint a Board of Recognition consisting of one representative of such Government, one representative of employers and one representative of workmen.

(2) The procedure for the selection of the representatives referred to in sub-section (1) shall be such as may be prescribed.

(3) The business of and before Boards appointed under sub-section (1) shall be regulated and conducted in such manner as may be prescribed.

28C. *Application for recognition.*—(1) The executive of a trade union may make an application for the recognition of the trade union under this Act to the Board or if no Board has been appointed, to the Registrar.

(2) Every application under sub-section (1) shall be accompanied by a statement furnishing the prescribed particulars.

28D. *Conditions for recognition.*—(1) A trade union shall not be entitled to recognition under this Act, unless it fulfils the following conditions, namely :—

- (a) that all its members are workmen employed in one and the same industry ;
- (b) that it is, and has been for at least twelve months prior to the date of the application for recognition, a registered trade union and that it has complied with all the provisions of this Act ;
- (c) that its rules do not provide for the exclusion of members on communal or religious grounds ;
- (d) that its executive meets at least once a quarter ;
- (e) that it is a representative trade union ;
- (f) that it has applied for recognition to the employer not less than three months prior to the date of the application to the Board or the Registrar for recognition ;
- (g) any further conditions that may be prescribed.

(2) No trade union shall be deemed to be a representative trade union for the purposes of clause (e) of sub-section (1) unless it satisfies such conditions as may be prescribed.

28E. *Power of Registrar and the Board.*—(1) The Board or the Registrar, as the case may be, may call for further information for the purpose of ascertaining whether the trade union concerned is entitled to recognition under section 28D and if a trade union fails to supply the required information within the prescribed period, its application for recognition shall be deemed to have been withdrawn.

(2) The Board or the Registrar, as the case may be, shall investigate whether the trade union fulfils the conditions laid down in section 28D for recognition, and shall forward the application to the appropriate Government with a report and a recommendation regarding the grant or withholding of recognition.

28F. *Grant and withdrawal of recognition.*—(1) On receipt of the application for recognition and the report referred to in sub-section (2) of section 28E, the appropriate Government, if satisfied that the trade union is fit to be recognised, may by notification in the official *Gazette*, declare the trade union to be a recognised trade union.

(2) Recognition granted to a trade union under sub-section (1) shall be withdrawn by the appropriate Government by notification in the official *Gazette*, if such Government is satisfied that—

- (a) a member or members of the trade union has or have taken part in an illegal strike, or
- (b) members of the executive have advised or actively supported an illegal strike or any propaganda directed against the efficient prosecution of war.

(3) If, after considering a report from the Board or Registrar, the appropriate Government is satisfied that a trade union has ceased to be representative or has become unfit for recognition for any reason other than a reason specified in sub-section (2), such Government may, in its discretion, by notification in the official *Gazette*, withdraw the recognition previously granted to the trade union under sub-section (1).

(4) No notification withdrawing recognition from a trade union shall be issued under sub-section (2) or sub-section (3) unless the trade union concerned has been given a reasonable opportunity of showing cause against the withdrawal.

28G. *Rights of a recognised Trade Union.*—(1) The executive of a recognised trade union shall be entitled to negotiate with the employer in respect of matters affecting the common interests of the members of the trade union, and the employer shall receive and send replies to letters sent by the executive on, and grant interviews to that body regarding, matters affecting the interests of the members of the union.

(2) Nothing in this section shall be construed as requiring an employer to send replies to letters on, or grant interviews regarding matters on which, as a result of previous discussion with the union or the members thereof, the employer has arrived at a conclusion whether in agreement with the executive or not.

(3) Any dispute between the employer and the executive as to whether a conclusion has been arrived at within the meaning of sub-section (2) shall be referred to the Registrar whose decision shall be final.

28H. *Returns.*—Every recognised trade union shall submit to the Registrar, at the prescribed time and in the prescribed manner, such returns, in addition to those referred to in section 28, as may be prescribed.

28I. *Power of Central Government to give directions.*—The Central Government may give directions to a Provincial Government as to the regulations to be made in exercise of the power conferred by sub-section (2) of section 28B or clause (g) of sub-section (1) or sub-section (2) of section 28D.

28J. The provisions of this chapter shall not, until the termination of the hostilities in being at the commencement of the Indian Trade Unions (Amendment) Act, 1943, apply to any trade union consisting of workmen employed by or under the Crown or by a Federal Railway or in a major port, unless the Central Government by notification in the official *Gazette* so directs in the case of any specified trade union."

6. *Amendment of section 31, Act XVI of 1926.*—To section 31 of the said Act, the following sub-section shall be added, namely:—

"(3) The provisions of sub-section (1) and sub-section (2) shall apply also to defaults in submitting and to false entries in and omissions from any return required to be submitted under section 28H."

7. *Insertion of new section 32A in Act XVI of 1926.*—After section 32 of the said Act, the following section shall be inserted, namely:—

"32A. *Failure by employer to comply with section 28G (1).*—Any employer who fails to comply with the provisions of sub-section (1) of section 28G shall be punishable with fine which may extend to five hundred rupees."

#### STATEMENT OF OBJECTS AND REASONS.

"Trade disputes often occur or are prolonged because an employer refuses to recognise a trade union of his workmen.

The Royal Commission on Labour considered the question of the recognition of trade unions and gave the reasons for which employers were not inclined to recognise unions. These were that the union embraced only a minority of workers; that another union was already in existence; that the union had refused to dispense with the services of a particular official; that outsiders had been included in the executive; or that the union had failed to register under the Trade Unions Act. The Commission discussed these reasons and showed why all except the last, were invalid. Deprecating obligatory recognition it pleaded for recognition in the spirit as well as in the letter and expressed the view that "recognition may mean much, but it may mean nothing. No law can secure that genuine and full recognition which we desire to see."

The position has not much improved since the Royal Commission completed its report and it is felt that the time has now come when the compulsory recognition of trade unions must be provided for by legislation. With all its limitations recognition by statute will at least clarify the position and give organised and well conducted trade unions the status they deserve. It may achieve much more.

The present Bill provides for the compulsory recognition of trade unions under certain conditions and defines what recognition will imply. Power is taken to set up tripartite Boards of Recognition which will report on the representativeness of trade unions and their fitness to be recognised. The main conditions of recognition will be that the trade union must have been a registered union for 12 months and that it must have previously applied to the employer concerned for recognition. Unions formed on a communal or sectarian basis will not be eligible for recognition. Besides laying down the basic conditions required for recognition, the Bill allows for additional conditions to be imposed by the appropriate Government and power is given to the Central Government to issue directions to Provincial Governments in this matter.

Recognition will be granted or withdrawn by the appropriate Government after receiving a report from the Board of Recognition, where one is appointed, or in other cases from the Registrar. Recognition will entitle a union to negotiate with the employer in respect of matters affecting the common interests of its members. The Bill also states the obligations of employers consequent on recognition."

*Copy of letter No. 115, dated 1st March 1944, from the Association to the Commissioner of Labour, Bombay.*

I have been instructed by my Committee to acknowledge the receipt of your letter No. L.O. III-1005, dated the 1st February 1944, and to forward the following views on the Trade Unions (Amendment) Bill, 1943.

2. The Bill under reference, as stated in the Statement of Objects and Reasons appended to it, seeks to provide for the compulsory recognition of trade unions under certain conditions. My Committee's views on the principle of compulsory recognition were set forth at length in my letter No. 115 dated the 19th May 1942 addressed to the Secretary to the Government of India, Department of Labour, New Delhi. Briefly stated, the position then taken up by my Committee was that an employer should not, under any circumstances, be compelled by statute to recognise unions. It was pointed out that, where a trade union consists of *bona fide* workers, is managed by representatives of workers, adopts strictly trade union methods in securing redress of its members' grievances, and is, further, in a position to impose its will upon its members in securing the due observance of all the agreements and undertakings given by it in its negotiations with employers, and is, in addition, thoroughly representative of labour, recognition by employers would follow without any compulsion being necessary. My Committee also maintained that recognition was not a fit subject for legislation, and the proper time to go into these matters would be when the war was over and when normal conditions had been restored. My Committee still adhere to these views.

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3. My letter to Government dated the 19th May 1942 does not, however, refer to one point, viz., the effect of compulsory recognition on labour itself. As you are aware, a private Bill for the compulsory recognition of labour unions was brought up in the Bombay Legislative Assembly on 12th January 1938, but the spokesman of Government—a Congress Ministry was in power at that time—opposed the measure on the ground that such recognition was calculated to create a split in the ranks of labour. In this connection, your attention is invited to the speech made by Mr. Gulzarilal Nanda, Parliamentary Secretary to the Premier, reproduced on pages 221-227 of the Bombay Legislative Assembly Debates—Volume 2, 1938.

4. The Statement of Objects and Reasons appended to the Bill states:—

"Trade disputes often occur or are prolonged because an employer refuses to recognise the trade union of his workers."

My Committee do not know what the state of affairs is in the rest of India, but so far as the Bombay Province is concerned, the statement is not correct, and my Committee takes strong exception to it. As you are aware, in spite of the Bombay Industrial Disputes Act, and the orders under the Defence of India Rules, both of which prohibit illegal strikes, the records of the Industrial Court show that in the 4½ years in which the Bombay Industrial Disputes Act has been in operation, there had been as many as 46 strikes which had been declared illegal by that Court, not taking into account the very large number of individual stoppages of work which have taken place but not reported to the Industrial Court, and in this respect the experience of other Provinces is not likely to be any better. This in spite of the fact that the B. I. D. Act provides for a suitable medium for investigation and rectification of workers' grievances. In my Committee's view, what labour needs to-day is good leadership, and unless this is made a condition precedent to any recognition, the Bill will fail in its object, and cessations of work will continue. The illiteracy of workers in general has rendered them a tool in the hands of a few designing agitators, and in the hands of such people, the privilege which Government propose to confer by this Bill, will be of doubtful utility to Labour itself. In this connection, it is interesting to note some of the demands made on employers by workers in recent years:

- (a) Establishment of a National Government,
- (b) Release of detenus,
- (c) Release of political leaders from jail, and
- (d) Grant of dominion status to India.

5. Without prejudice to the generality of the views expressed in the preceding paragraphs, I now turn to the detailed provisions of the draft Bill:

*Clause 4: Read in conjunction with proposed Section 28B.*—Government propose to appoint a Board of Recognition consisting of one representative of Government, one representative of employers, and one representative of workmen whose duty it will be to receive applications for recognition (*vide* section 28C); investigate such applications (*vide* section 28E); and report to Government about the unrepresentative character of a union (*vide* section 28F (3)). My Committee do not approve of the machinery that has been proposed, and would suggest instead, the establishment of a Court on the lines of the Bombay Industrial Court with a presiding Judge drawn from the High Court of Judicature.

*Proposed Section 28C.*—Applications for recognition should be made to the Industrial Court which my Committee have suggested in the preceding paragraph. There is, perhaps, no objection to the Registrar receiving the application; but disposal of the application must be by the Industrial Court.

*Proposed Section 28D: Sub-clause (1) (e) and sub-clause (2).*—The draft Bill lays down that a trade union shall not be entitled to recognition unless it is, among other things, a "representative" trade union. What the expression "representative" means, is not very clear, but sub-clause (2) says that no trade union shall be deemed to be a representative trade union for the purpose of clause (e) of sub-clause (1) unless it satisfies such conditions as may be prescribed. In other words, Government are leaving over a very vital issue to be covered by the Rules, a position which, in itself, is extremely unsatisfactory. My Committee do not see any reason why a definition should not be incorporated in the Act itself, and in this connection, attention is invited to the definition of the expression "representative" under the Bombay Industrial Disputes Act (*vide* section 12 (1) of the Bombay Industrial Disputes Act), which gives a very fair basis, and which my Committee desire to be incorporated in the proposed Bill.

My Committee also suggest the following items to be added to the items (a) to (f) listed in sub-clause (1) of section 28D:—

- (f) (1) Peaceful and legitimate methods being followed in all disputes with employers;
- (2) Control by actual workers representing a substantial number of persons whom the union claims to represent;
- (3) Prohibition of strikes without notice;
- (4) Prohibition of strikes unless preceded by a ballot in which two-thirds of the workers actually are in favour of the strike;
- (5) Membership being purely voluntary;
- (6) Maintenance of proper records of subscriptions collected and of negotiations with employers.

*Proposed Section 28D, sub-clause (1) (a).*—The clause lays down that a trade union shall not be entitled to recognition unless all its members are workmen employed in one and the same industry. According to section 6 (e) of the Indian Trade Unions Act, 1926, a distinction is made between ordinary members who shall be persons actually engaged or employed in an industry with which the trade union is connected, and honorary or temporary members who are the officers required under section 22 of the Act to form the executive of the trade union and whose proportion in the executive is limited to half the total number. The intention appears to be to limit the ordinary membership to workers, and my Committee would suggest the insertion of the word 'ordinary' before the word 'members' to make this clear and to ensure that the distinction between ordinary, honorary and temporary members is maintained.

*Proposed Section 28E.*—My Committee have already pointed out that the powers regarding the grant and withdrawal of recognition should be exercised by a Court of the standing of the Bombay Industrial Court set up in individual Provinces, and the Registrar of Trade Unions should have nothing to do with such matters.

*Proposed Section 28F: Sub-clause (2) (a).*—The Bill lays down that recognition shall be withdrawn if Government are satisfied that a member or members of the trade unions has or have taken part in an illegal strike. The expression "illegal strike" also appears in sub-clause (2) (b). My Committee request that "illegal strike" be defined in the Act. The attention of Government is, in this connection, drawn to section 62 (1) of the Bombay Industrial Disputes Act, which might, with suitable alterations, be incorporated in the Bill.

My Committee also suggest the incorporation of the following clauses after sub-clauses (2) (a) and (b) of the proposed section 28F:—

- (c) If any of the conditions governing the grant of recognition were broken by the union;
- (d) If the union encouraged or participated in a strike called by an unrecognised or unlawful organisation;
- (e) If the union directly or indirectly encouraged or countenanced subversion of internal discipline in the mills;
- (f) If the union engaged in trade union activities on employers' premises except to the extent mutually agreed upon between the union and the employers or their organizations;
- (g) If the union is unable to give effect to an agreement negotiated by it with the employers or their organizations; and
- (h) If the members of the union fail to carry out the lawful orders given by the executive of the union.

Sub-clause (3) of proposed section 28F lays down that Government "may" in its discretion withdraw recognition under certain circumstances. My Committee desire that when, after considering a report from the Board or Registrar, the appropriate Government is satisfied that a trade union has ceased to be representative or has become unfit for recognition

for any reason other than a reason specified in sub-section (2) of the proposed section 28F, amended as suggested by my Committee, there should be no question of Government using its discretion in the matter of withdrawal of recognition, and that withdrawal should follow as a matter of course.

My Committee desire to add a new sub-section which would provide that, once recognition is granted and is subsequently withdrawn on any of the grounds mentioned in the proposed section 28F (3), the union concerned shall not be eligible for recognition for a period of at least one year from the date on which recognition was cancelled.

*Proposed Section 28G.*—Proposed section 28G, sub-clause (1) lays down that the executive of a recognised trade union shall be entitled to negotiate with the employer in respect of matters affecting the common interests of the members of the trade union, etc., etc. The expression "common interests" is too wide, and my Committee suggest that negotiations should be confined to industrial matters as defined in the Bombay Industrial Disputes Act.

Sub-clause (3) of the proposed section 28G states that the decision of the Registrar on the matters referred to in sub-clause (2) shall be final. My Committee regret they cannot agree to this provision. They have already suggested the establishment of Industrial Courts in various Provinces, and this matter should also be dealt with by the Industrial Court,

*Proposed Section 28H.*—My Committee have no objection to the section as drafted, but would suggest the addition of a sub-section which would provide for suitable punishment for failure to submit returns in proper time.

*Proposed Section 28I : Power of Central Government to give directions.*—My Committee desire to invite the attention of Government that, so far as the Bombay Province is concerned, a special statute has been enacted—the Bombay Industrial Disputes Act, 1938—dealing with, among other things, the subject of recognition of trade unions. Chapter II of this Act deals with registration of unions, and sets out the rights and privileges of different types of unions, such as, qualified union, registered union, and representative union. In other words, it makes provision for recognition of unions by the employers concerned in the event of a trade union acquiring the necessary qualification. My Committee are of the opinion that, in provinces where such special statutes exist, the proposed Indian Trade Unions (Amendment) Act should not be made applicable. My Committee would, therefore, suggest that a sub-clause to the proposed section 28I, or a new section may be inserted in the Bill on the following lines :—

"The Central Government may empower Provincial Governments to withhold application of this Act to such areas and to such industrial establishments to which provincial legislation dealing with the rights and privileges of trade unions has already been made applicable."

*Proposed Section 28J.*—No reasons have been advanced by Government to justify that Government industrial establishments should be treated differently from other industrial establishments. In my Committee's view, if Government consider that a certain measure is good for labour as a whole, then it should be applied to labour as a whole, and at the same time. If, as the section suggests, Government consider that the immediate introduction of this legislation in Government industrial establishments would embarrass war work, the same should be held to be the case with private employers. My Committee, therefore, contend that if Government have prescribed certain conditions to protect the interests as employers in respect of labour employed in Government undertakings, there is no reason why similar protection should not be granted to private employers. In this view of the case, my Committee suggest the deletion of the proposed section 28J.

In conclusion, my Committee hope that, in view of the importance of the proposed measure, the views urged above would be given full consideration by Government.

## APPENDIX 13.

### PAYMENT OF WAGES ACT, 1936.

#### A BILL FURTHER TO AMEND.

Copy of letter No. L.O. III-13863, dated 23rd December 1944, from the Commissioner of Labour, Bombay, to the Association.

Subject :—THE PAYMENT OF WAGES (AMENDMENT) ACT, 1944.

I am directed to forward copies of the above Bill which was introduced in the Legislative Assembly by the Hon'ble the Labour Member, with the Statement of Objects and Reasons and of the extract from the Legislative Assembly Debates\* dated 16th November 1944 regarding the Bill and to request you to let me have the views of your Association generally on the proposals in the Bill or specifically on individual clauses thereof together with suggestions for modifications, if any. The members of your Association are not being separately addressed.

I shall be glad if you will kindly arrange to send your reply as early as possible, at any rate not later than the 15th January 1945.

#### A Bill further to amend the Payment of Wages Act, 1936.

Whereas it is expedient further to amend the Payment of Wages Act, 1936 (IV of 1936), for the purposes hereinafter appearing ;

It is hereby enacted as follows :—

1. *Short title.*—This Act may be called the Payment of Wages (Amendment) Act, 1944.
2. *Amendment of section 2, Act IV of 1936.*—In section 2 of the Payment of Wages Act, 1936 (hereinafter referred to as the said Act), for clause (vi) the following clause shall be substituted, namely :—
 

(vi) "wages" means all remuneration, capable of being expressed in terms of money, earned under the terms of his contract of employment, express or implied, by an employed person in respect of his employment or of work done in such employment, and includes any sum earned as overtime pay, bonus or additional remuneration for increased output, or any other additional remuneration of the nature aforesaid, and any sum payable to such person to counteract abnormal economic conditions or by reason of the termination of his employment, but does not include—

  - (a) the value of any house accommodation, supply of light, water, medical attendance or other amenity, or of any service excluded by general or special order of the Provincial Government,
  - (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 employed person to defray special expenses entailed on him by the nature of his employment,
  - (e) any gratuity payable on discharge.



3. *Amendment of section 5, Act IV of 1936.*—In section 5 of the said Act,—

(a) for sub-section (1) the following sub-section shall be substituted, namely:—

“(1) The wages of every employed person 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”;

(b) in sub-section (2) for the words “second working” the word “third” shall be substituted;

(c) in sub-section (4) after the word “wages” the words, brackets and figure “except payments to which sub-section (2) applies” shall be inserted.

4. *Amendment of section 7, Act IV of 1936.*—In section 7 of the said Act,—

(a) in sub-section (2) the word “and” at the end of clause (j) shall be omitted, and after clause (k) the following clauses shall be added, namely:—

“(1) deductions to recover from a person re-employed after the termination of his former employment any amount paid to him from a provident fund or as a gratuity on such termination;

(m) deductions specially authorised by the Provincial Government for a purpose beneficial to the employed person”;

(b) after sub-section (2) the following sub-sections shall be added, namely:—

“(3) Where the wages for any employment are on an incremental basis, the increments of any employed person may for disciplinary reasons be withheld or his wages may for like reasons be reduced to a lower stage in the scale, provided that in the latter case he shall be given such period of notice of such reduction as is not less than the period of notice required to be given him under his contract of employment for the termination of his employment.

(4) Where an employed person is required to perform a class of employment involving a standard of skill or responsibility lower than that involved in the employment in which he is employed for the time being, any diminution in wages by reason of such lower standard of skill or responsibility shall be deemed not to be a deduction from wages for the purposes of this Act.

(5) The provisions of sub-sections (1), (2) and (3) of section 8 shall apply to any withholding of increment or reduction referred to in sub-section (3), and where any action such as is referred to in sub-section (4) is taken for disciplinary reasons, to such action, as they apply to the imposition of fines.”

5. *Amendment of section 8, Act IV of 1936.*—In sub-section (7) of section 8 of the said Act, for the words “of the act or omission in respect of which it was imposed” the words “on which the act or omission in respect of which it was imposed was detected” shall be substituted.

6. *Amendment of section 9, Act IV of 1936.*—In sub-section (2) of section 9 of the said Act, the *Explanation* shall be numbered as *Explanation 1*, and after that *Explanation* the following *Explanation* shall be added, namely:—

“*Explanation 2.*—Failure to attend work at the proper time is absence from duty within the meaning of clause (b) of sub-section (2) of section 7.”

7. *Substitution of new section for section 13, Act IV of 1936.*—For section 13 of the said Act the following section shall be substituted, namely:—

“13. *Other deductions.*—Deductions under any of clauses (j), (k), (l) and (m) of sub-section (2) of section 7 shall be subject to such conditions as the Provincial Government may impose.”

8. *Amendment of section 17, Act IV of 1936.*—In clause (b) of sub-section (1) of section 17 of the said Act, after the word “by” the words “an Inspector under this Act or” shall be inserted.

STATEMENT OF OBJECTS AND REASONS.

The Payment of Wages Act, 1936, when passed, was recognised to be an experimental piece of legislation. During its working a number of defects and difficulties have come to notice. While many of them can be left to be dealt with by comprehensive legislation at a later date, it is considered necessary to remove a few even during war time and the Bill seeks to achieve this object.

B. R. AMBEDKAR,

NOTES ON CLAUSES.

*Clause 2—Definition of “wages.”*—The definition of “wages” in the existing Act has given rise to much difficulty in interpretation.

The phrase “whether conditionally upon the regular attendance, good work or conduct or other behaviour of the person employed, or otherwise” has led to the impression that an employed person is entitled to full wages irrespective of the stipulated outturn. This was not the intention and it is proposed to omit this altogether, at the same time making it clear that the “wages” have to be earned under the contract of employment.

The revised definition also gets over another difficulty. Previously it was not clear if wages under a profit-sharing scheme which could not be calculated until after profits were known, had nonetheless to be paid within the “wage period.” This practical difficulty is now sought to be overcome.

Doubts were expressed whether allowances of the kind given against increased cost of living formed part of ‘wages.’ The revised definition specifically includes such allowances.

*Clause 3—Amendment of section 5.*—The linking of the date of payment with the number of employees has caused difficulties. It is affected by factories working either single or double shifts or by a slight change in the number of employees. The main object of the Act is to ensure that wages are paid regularly and this will still be accomplished if the period is uniformly fixed at 10 days as now proposed.

The reference to ‘working’ day does not adequately cover cases of seasonal factories or factories that close down. The second ‘working day’ may be after the lapse of several months or may never occur. At the same time it is not always practicable, for instance in railway employment, to ensure payment in so short a time as two days.

It is accordingly proposed to substitute the words ‘second working’ by the word ‘third’ in sub-section (2) of section 5.

*Clause 4.*—Some judicial decisions on questions of stoppage of increments or reductions, etc., have led to difficulties. The Sind Chief Court held some time ago that the temporary reduction of an employee from one step in an incremental scale to another amounted to a ‘deduction’ within the meaning of the Act. Doubts have also been expressed whether reductions, demotions, etc., by way of disciplinary measures amounted to ‘deductions.’

The amendments seek to make the position clearer and provide as follows:—

(a) Where there is an incremental scale, a stoppage of increment and reduction in the incremental scale as disciplinary measures are authorised, but the latter may only be made after notice for such period as is required under the contract of employment for the termination of employment.

(b) A diminution of wages by reason of requirement to perform work involving a standard of skill or responsibility lower than that in the previous work, is not a ‘deduction.’



*Clause 5—Amendment of sub-section (7) of section 8.*—Acts or omissions may not be detected for some time after their commission. The present provision requiring that no fine shall be recovered after the expiry of sixty days from the date of the act or commission, therefore, becomes sometimes impracticable. It is accordingly proposed that the time should count from the date of detection of the act or omission.

*Clause 8—Amendment of section 17.*—It is considered necessary to empower an Inspector in some cases to go in appeal against an adverse decision.

*Copy of letter No. 184, dated 2nd March 1945, from the Association to the Secretary to the Government of India, Department of Labour.*

I am directed to refer to the Bill "Further to amend the Payment of Wages Act 1936" recently introduced in the Legislative Assembly by the Honourable Dr. B. R. Ambedkar. The Bill has been considered by my Committee, and I set forth below their reactions to some of the important provisions incorporated therein.

*Clause 2—Definition of expression "wages."*—The revised definition of the expression "wages" seems to be an improvement on the existing definition in the Act, but there are one or two points which require clarification. Firstly, the proposed amendment seems to draw a distinction between "overtime pay, bonus or additional remuneration for increased output or any other additional remuneration of the nature aforesaid" and dearness allowance (i.e., any sum payable to counteract abnormal economic conditions, etc.). In the case of bonus, etc., the expression used is "earned under the terms of his contract of employment," which means that overtime pay and bonus would become payable if—and only if—they were earned, i.e., if the conditions attached to the payment of overtime pay, bonus, etc., etc., were fulfilled by the operatives concerned. In the case of dearness allowance, however, Government use the expression "any sum payable" which is likely to be interpreted by the operative that dearness allowance would become payable regardless of the terms and conditions on which dearness allowance is paid. For example, as Government are aware, in Bombay, the quantum of dearness allowance is linked up with the number of days on which the operative concerned was actually at work. This condition is known to the operatives, and my Committee are anxious to ensure that the amendment should not be interpreted to mean that the present dearness allowance would become payable irrespective of the number of days put in by the operative.

Secondly, the proposed definition states that wages means all remuneration capable of being expressed in terms of money, earned under the terms of his contract of employment, express or implied, by an employed person in respect of his employment, and includes any sum earned as overtime pay, bonus or additional remuneration for increased output or any other additional remuneration of the nature aforesaid. My Committee feel that the expression "any other additional remuneration of the nature aforesaid" in the proposed definition is unnecessary. All possible categories of remuneration which a worker earns under the terms of his contract of employment have already been specifically covered and my Committee feel that an unspecified and vague reference to any other additional remuneration is undesirable as it may in future lend itself to unnecessary complications. My Committee, therefore, suggest that the words "any other additional remuneration of the nature aforesaid" be deleted from the proposed amendment.

*Clause 3—Amendment of section 5 (2) of the Payment of Wages Act.*—If the amendment were accepted, it would mean that an employee whose services have been dispensed with would have to be settled and paid off before the expiry of the third day irrespective of whether it is a working day or not. In the case of *Holi* and *Diwali*, as Government are aware, mills in Bombay are closed for three days at a stretch, and it would not be possible for them to pay the wages of discharged workers, on these days. My Committee would, therefore, prefer the present provision to continue, payment being made not later than the second working day. My Committee note from the Notes on clauses appended to the Bill that the amendment is made to suit the conditions of seasonal factories and factories that close down, and, therefore, suggest, if Government desire to meet these special cases, that the present section 5 (2) might be allowed to remain as it is, retaining the words "second working day" in the sub-section, and the case of seasonal factories, etc., might be met by an altogether new sub-clause.

*Amendment to section 7 of the Act—Deduction from wages.*—The Bill seeks to introduce a new sub-section in section 7 of the Payment of Wages Act, reading as under:—

"(3) Where the wages for any employment are on an incremental basis, the increments of any employed person may, for disciplinary reasons, be withheld or his wages may, for like reasons, be reduced to a lower stage in the scale, provided that in the latter case he shall be given such period of notice of such reduction as is not less than the period of notice required to be given him under his contract of employment for the termination of his employment." It has been pointed out in the Notes on clauses attached to the Bill that this amendment has been necessitated by a decision of the Sind Chief Court, according to which temporary reduction of an employee from one step in an incremental scale to another amounted to a "deduction" within the meaning of the Act. My Committee's objection to this clause is of a twofold character, namely, first, the expression "on an incremental basis" is vague; any employment where there is any prospect of financial improvement may be described as on an incremental basis. Second, the expression "for disciplinary reasons" is also not very clear.

If the intention is to make the withholding of an increment illegal except in cases of a breach of discipline on the part of the employee, then the employer is precluded from withholding the increment on other grounds, namely, slackness, failure to take increased responsibility, etc. The employer is justified in linking a particular wage with a particular standard of skill and in withholding increments if that particular standard is not maintained, and in this view of the case, my Committee desire to point out that the scope of the amendment should be widened with a view to making the withholding of increments for reasons other than disciplinary reasons, legal under the Act.

*Clause 4—Proposed sub-section 7 (4).*—The proposed amendment lays down that, where an employed person is required to perform a class of employment involving a standard of skill or responsibility lower than that involved in the employment in which he is employed for the time being, any diminution in wages by reason of such lower standard of skill or responsibility shall be deemed to be a deduction from wages for the purposes of this Act. My Committee accept the principle underlying the amendment, but suggest that the clause be amended to include diminution in wages consequent upon the failure of an employed person to improve or maintain the standard of work which is expected of him.

*Clause 4—Proposed sub-section 7 (5).*—My Committee have already indicated their views on the proposed sub-sections (3) and (4) of section 7. They only desire to point out now that, while fines may be imposed only on disciplinary grounds, increments may have to be withheld on other grounds too. In this view of the case, they suggest the re-drafting of the proposed sub-sections (3), (4) and (5) of section 7.

## APPENDIX 14.

### HOLIDAYS WITH PAY FOR WORKERS IN NON-SEASONAL FACTORIES.

#### PROPOSED AMENDMENT OF THE FACTORIES ACT, 1934.

##### *A Bill further to amend the Factories Act, 1934.*

Whereas it is expedient further to amend the Factories Act, 1934 (XXV of 1934), for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Factories (Second Amendment) Act, 1944.
- (2) It shall come into force in a Province on such date as the Provincial Government may, by notification in the official Gazette, appoint in this behalf for the Province.

2. *Insertion of new section 35A in Act XXV of 1934.*—After section 35 of the Factories Act, 1934 (XXV of 1934) (hereinafter referred to as the said Act), the following section shall be inserted, namely:—

“35A. *Compensatory holidays.*—(1) Where, as a result of the passing of an order or the making of a rule under the provisions of this Act exempting a factory or the workers therein from the provisions of section 35, a worker is deprived of any of the weekly holidays for which provision is made by sub-section (1) of that section, he shall be allowed, as soon as circumstances permit, compensatory holidays of equal number to the holidays so lost.

(2) The Provincial Government may make rules prescribing the manner in which the holidays, for which provision is made in sub-section (1), shall be allowed.”

3. *Insertion of new Chapter IVA in Act XXV of 1934.*—After Chapter IV of the said Act the following Chapter shall be inserted, namely:—

“CHAPTER IVA.

*Holidays with Pay.*

49A. *Application of Chapter.*—The provisions of this chapter shall not apply to a seasonal factory.

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

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

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

49C. *Pay during annual holidays.*—Without prejudice to the conditions governing the day or days, if any, on which the worker is entitled to a holiday under sub-section (1) of section 35, the worker shall, for the remaining days of the holidays allowed to him under section 49B, be paid at a rate equivalent to the average of his earnings during the preceding three months, exclusive of any earnings in respect of overtime.

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

49E. *Power to make rules.*—The Provincial Government may make rules to carry into effect the provisions of this Chapter.

49F. *Exemption of factories from provisions of this Chapter.*—Where the Provincial Government is satisfied that the leave rules applicable to workers in a factory provide benefits substantially similar to those for which this Chapter makes provision, it may, by written order, exempt the factory from the provisions of this Chapter.”

4. *Amendment of section 60, Act XXV of 1934.*—In section 60 of the said Act,—

(a) at the end of clause (f), the word “or” shall be added;

(b) after clause (f) as so amended, the following clause shall be inserted, namely:—

“(g) there is any contravention of section 49B, 49C or 49D, or of any rule made under section 49E.”

5. *Amendment of section 61, Act XXV of 1934.*—In section 61 of the said Act, for the brackets and letter “(f)”, the brackets and letter “(g)” shall be substituted.

STATEMENT OF OBJECTS AND REASONS.

The desirability of holidays with pay for workers is evident. The present Bill seeks to confer on workers in perennial factories the benefit after a year's service, of at least seven consecutive days holidays of which at least six will be paid for. The Bill does not seek to affect the continuance of other local or customary holidays at present given by an employer to his workers.

The holidays will be allowed to accumulate, upto one week being added to holidays subsequently earned.

Provincial Governments will be empowered to exempt any factory in which the leave rules provide for benefits substantially similar to those included in the Bill.

The Royal Commission on Labour made certain modest recommendations for voluntary action in regard to paid leave for factory workers, but these did not lead to substantial progress. The International Labour Conference adopted at its twentieth session in 1936 a Draft Convention on Holidays with Pay. The Government of India has not ratified the convention, but Provincial Governments and interests concerned have been consulted on the subject of Holidays with Pay. The present Bill which follows these consultations covers not an unimportant part of the Draft Convention.

Opportunity is also taken to provide for the grant of compensatory holidays, against the loss by a worker of his weekly holidays, as a result of any order or rule made under the Factories Act.

B. R. AMBEDKAR.

*Copy of letter No. 148, dated 14th August 1944, from the Association to the Secretary to the Government of India Department of Labour.*

I am directed to refer to a Bill further to amend the Factories Act 1934 introduced in the Legislative Assembly by the Hon'ble Dr. Ambedkar, and to submit the considered views of the Committee of the Millowners' Association thereon.

Briefly stated, the amendments seek to:—

(a) provide for the grant of compensating holidays against the loss by worker of his weekly holidays as a result of any order or rule made under the Factories Act;

(b) confer on workers in perennial factories the benefit after a year's service, of at least 7 consecutive holidays of which at least 6 would be paid for:

There can hardly be any objection to the principle underlying the proposed provision for the grant of compensatory holidays in ordinary cases, but it must be pointed out that it may not be possible to comply with this requirement in the case of employees holding key positions. If, however, the position is that such employees as also those holding positions of a supervisory nature will be exempted from the scope of this amendment, then, there is nothing much to be said about it.

On the general question of granting to industrial workers annual holidays with pay, the views of my Committee have already been placed before Government on several occasions in the past, and in this connection, attention is invited to the enclosed\* copy of a letter addressed by my Committee to the Commissioner of Labour in 1942. In short, the position then taken up by my Committee was that while holidays with pay would increase the cost of production, there would be no corresponding benefit to the workers, who, it was pointed out, would take, as they do at present, long holidays during the year to go to their villages, and that in this view of the case, the need for a paid holiday to provide for a certain period of absolute rest had not been made out. My Committee still adhere to this view.

Moreover, it was only in February 1944 that Government appointed the Rege Committee to collect data on various labour matters. The intention was that on receipt of the required statistics, Government should appoint a Mixed Committee to formulate plans of social security. The Rege Committee have not yet completed their work. My Committee expected that no measure of social security would be launched by Government until the Rege Committee had reported and until the Mixed Committee indicated in Government resolution No. L. 4012 dated 12th February 1944 had gone into the whole question and submitted their recommendations.

Since, however, it would seem from the Bill that Government have made up their mind in this matter, my Committee do not desire to lose this opportunity to offer a few comments on certain detailed clauses of the Bill, but it does not by any means follow that by so doing, my Committee have waived their basic objection to the Bill itself and to the piecemeal introduction of labour legislation regardless of the procedure indicated in Government resolution dated 12th February 1944.

*Clause 1, sub-clause (2)*, provided that the measure shall come into force in a Province on such date as the Provincial Government may notify. My Committee are unable to understand why option should be left to the Provincial Government as regards the date of bringing the Act into operation. It is of the utmost importance that there should be uniformity in this respect, and, therefore, the Act should be given effect to in all the Provinces simultaneously at such time as the Central Government might, by previous notification, decide.

*Clause 2: Compensatory holidays.*—It is suggested that the proposed section 35 (A) (1) and (2) should make it clear that the compensatory holiday is without pay.

Proposed section 35 (A) (2) gives power to Provincial Governments to make rules prescribing the manner in which the holidays for which provision is made in sub-clause (1) shall be allowed. It is suggested that suitable instructions should be sent to Provincial Governments to ensure that before framing rules in this regard, the circumstances obtaining in individual factories or group of factories are taken into consideration.

Proposed section 49B provides that holidays for a period of *at least* seven consecutive days shall be allowed. It should be clearly understood that the period referred to is the maximum and not the minimum, and the words "at least" should be deleted. If this amendment is not made, it is quite conceivable that some provincial governments may make it obligatory to grant more than seven days.

Proposed section 49B with sub-section and explanations read together prescribe the conditions precedent to the grant of annual leave. The worker is allowed to accumulate his annual leave up to a period of seven days. What constitutes continuous service has also been defined. For instance, there would be no break of service if the worker was absent on account of sickness, accident or authorised leave or due to a lockout. In other words, a worker may be on authorised leave without pay for a period of six months, but still he would be entitled to the annual leave with pay for seven days. The practice at present is that sick leave is granted not on the basis of any medical certificate, but by simply passing on information through a friend that the worker concerned is ill, though he may not really be ill. This intimation has so far been accepted as sufficient excuse for the worker's absence, and leave has been granted; if, however, the proposed provisions were brought into operation, it would mean that workers would only be adding seven days leave with pay to a long period of absence, officially described in the mill records as being due to illness. In this view of the case, it is thought that any authorised or unauthorised absence extending to more than 12 days in the aggregate in the year should be regarded as break of service.

Turning to lockout, the expression is somewhat nebulous. Lockout may follow an illegal strike. It should, therefore, be clearly laid down that if the closure of the factory is due to an illegal strike of the operatives, that should be regarded as a break of service.

The expression 'illegal strike' should itself be defined. The reason why emphasis is placed on this particular point is that the B. I. D. Act only covers stoppages arising from an industrial matter. The Defence of India Rules cover stoppages from trade disputes, but there is sufficient evidence in the Indian Trade Disputes Act to show that that Act covers only *bona fide* trade disputes, and would have no application whatsoever to cessations of work for reasons connected with *hartals*, etc. The point that my Committee desire to emphasise is that if there is a stoppage of work in the factory for any reason whatsoever without giving reasonable notice to the Employer and before taking reasonable measures for bringing about a settlement, the operatives guilty of such a cessation of work should lose their right to annual leave with pay.

The section does not describe the position of women workers on maternity leave, but it is presumed that women on maternity leave will not lose their right to annual leave.

Another point which the proposed Bill does not make clear is in regard to the exact date on which the leave should commence. This is a very important matter, and unless it is made clear that employers have the right to grant leave after consulting the exigencies of the factory, most of the employees would be asking for the annual leave on particular seasons of the year to the detriment of production in the factory.

The draft Bill which the Government of India had circulated in 1942, provided that a worker should not undertake any work for remuneration during any holidays allowed to him under the provisions of the Act. It is not understood why a similar provision has not been made in the present Bill; for if the worker accepted any other remunerative work while he is on paid leave, the object of the legislation would be defeated.

*Pay during annual holidays.*—The proposed section 49C provides that the workers shall be paid at the rate equivalent to the average of his earnings during the preceding three months exclusive of any earnings in respect of overtime. As is well known, a high rate of dearness allowance to compensate the increased cost of living in industrial towns is paid to workers, and it could not have been Government's intention that these allowances should also be included in the payment for holidays which are granted to workers. This position should, therefore, be made clear.

The following Act of the Indian Legislature received the assent of the Governor General on the 16th April 1945, and is hereby promulgated for general information.

ACT No. III OF 1945.

An Act further to amend the Factories Act, 1934.

Whereas it is expedient further to amend the Factories Act, 1934 (XXV of 1934), for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Factories (Amendment) Act, 1945.
- (2) It shall come into force on the 1st day of January, 1946.

2. *Insertion of new section 35A in Act XXV of 1934.*—After section 35 of the Factories Act, 1934 (XXV of 1934) (hereinafter referred to as the said Act), the following section shall be inserted, namely :—

35A. *Compensatory holidays.*—(1) Where, as a result of the passing of an order or the making of a rule under the provisions of this Act exempting a factory or the workers therein from the provisions of section 35, a worker is deprived of any of the weekly holidays for which provision is made by sub-section (1) of that section, he shall be allowed, as soon as circumstances permit, compensatory holidays of equal number to the holidays so lost.

(2) The Provincial Government may make rules prescribing the manner in which the holidays, for which provision is made in sub-section (1), shall be allowed.

3. *Insertion of new Chapter IVA in Act XIV of 1934.*—After Chapter IV of the said Act the following chapter shall be inserted, namely :—

#### CHAPTER IVA.

##### *Holidays with Pay.*

49A. *Application of Chapter.*—(i) The provisions of this chapter shall not apply to a seasonal factory.

(ii) The provisions of this chapter shall not operate to the prejudice of any rights to which a worker may be entitled under any other enactment, or under the terms of any award, agreement or contract of service.

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

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

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

*Explanation.*—A worker shall be deemed to have completed a period of twelve months continuous service in a factory notwithstanding any interruption in service during those twelve months brought about by sickness, accident or authorised leave not exceeding ninety days in the aggregate for all three, or by a lockout, or by a strike which is not an illegal strike, or by intermittent periods of involuntary unemployment not exceeding thirty days in the aggregate and authorised leave shall be deemed not to include any weekly holiday allowed under section 35 which occurs at the beginning or end of an interruption brought about by the leave.

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

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

49E. *Power of Inspector to act for worker.*—Any Inspector may institute proceedings on behalf of any worker to recover any sum required to be paid under this chapter by an employer which the employer has not paid.

49F. *Power to make rules.*—(1) The Provincial Government may make rules to carry into effect the provisions of this chapter.

(2) Without prejudice to the generality of the foregoing power rules may be made under this section prescribing the keeping by employers of registers showing such particulars as may be prescribed and requiring such registers to be made available for examination by Inspectors.

(3) The Central Government may give directions to a Province as to the carrying into execution of the provisions of this section.

49G. *Exemption of factories from provisions of this chapter.*—Where the Provincial Government is satisfied that the leave rules applicable to workers in a factory provide benefits substantially similar to those for which this chapter makes provision, it may, by written order, exempt the factory from the provisions of this chapter."

4. *Amendment of section 60, Act XXV of 1934.*—In section 60 of the said Act :—

(a) at the end of clause (f), the word ' or ' shall be added ;

(b) after clause (f) as so amended, the following clause shall be inserted, namely :—

" (g) there is any contravention of section 49B, 49C or 49D, or of any rule made under section 49F."

5. *Amendment of section 61, Act XXV of 1934.*—In section 61 of the said Act, for the brackets and letter " (f) ", the brackets and letter " (g) ", shall be substituted.

## APPENDIX 15.

### RENEWAL OF REGISTRATION OF DESIGNS.

Copy of letter No. 367, dated 24th October 1944, from the Association to the Secretary to the Government of India, Department of Industries and Civil Supplies.

I am directed by the Committee of the Association to address you in regard to certain provisions of the Patents and Designs Act which require rectification.

The facts of the case are that a member of the Association who had registered the designs used by him on printed cloth under the Patents and Designs Act omitted to renew it before the expiry of the time limit. An application was made to the Controller requesting renewal, but the Controller seems to have pointed out that he had no discretion in the matter of enlarging the time limit prescribed by the Act for purposes of renewal. The member concerned then seems to have made

an enquiry as to whether it would be open for him to make a fresh application for registration of the designs, such fresh registration dating from the date of such fresh application, to which the Controller is reported to have pointed out that "registration can be effected only in respect of designs which are new or original and not previously published in British India. A design which has been previously registered cannot be regarded as satisfying this condition and as such cannot be registered afresh."

The decision of the Controller is correct. Further, the general discretionary power, to enlarge the time limits granted to the Controller under rule 87 of the Indian Patents and Designs Rules does not apply to the time limits prescribed in the Act itself. The Committee of the Association, however, desire to draw the attention of Government to section 16, Part I of the Patents and Designs Act which confers on the Controller, under certain circumstances, discretionary powers in renewing patents even if applications for renewal were not made in time. It is suggested that provisions similar to section 16 be incorporated in Part II which would extend to owners of registered designs the same facilities which are at present afforded to owners of patents. In view of the importance of registered designs to industrial concerns, the Committee of the Association request that this matter be looked into and the necessary amendments made in the Act at a very early date.

APPENDIX 16.

BANKING COMPANIES ACT.

Copy of letter No. 374, dated 16th February 1945, from the Association to the Deputy Secretary to the Government of Bombay, Finance Department and to the Secretary to the Government of India, Legislative Department.

I am directed to acknowledge your letter No. 4414/33-D, dated the 16th December 1944,\* and to set forth the views of the Committee of the Association on the Bill to consolidate and amend the law relating to banking companies.

2. At the outset, I am to state that the observations of the Committee of the Association are confined only to certain clauses of the Bill with which the Association, representing industrial concerns, is more directly concerned and not to the provisions of the Bill relating to the day-to-day administration of banks.

3. Clause 16 : Restrictions on loans and advances.—This clause restricts loans or advances on the security of its own shares, or unsecured loans or advances (1) to its Directors, or (2) to firms or companies in which it or any of its Directors is interested as partner, director or managing agent. My Committee are in agreement with the restriction contained in the first part of the clause, but strongly feel that the second restriction is undesirable and would mean, in practice, that many of the industrial firms will not be able to get their financial assistance of the kind indicated in the clause inasmuch as the directorates of many banks consist of leading industrialists. My Committee, therefore, urge the deletion of the provision restricting advances or loans to firms in which the directors of the banks are interested.

4. Clause 21 : Return of Unclaimed Deposits.—The notes attached to the Bill state that the intention in asking for such returns is to enable the Reserve Bank to have the necessary data for the consideration of the question whether deposits remaining unclaimed for a prescribed period should be transferred to Government making it responsible for meeting any claim which may be established in future. My Committee oppose this suggestion in principle and feel that the banks holding such deposits should be allowed to retain it in their hands for any length of time.

APPENDIX 17.

AMENDMENT TO THE INDIAN COMPANIES ACT, 1913.

Copy of letter No. 7164/37330-D, dated 2nd January 1945, from the Joint Secretary to the Government of Bombay, Finance Department, to the Association.

I am directed to forward herewith a copy of a Bill to amend the Indian Companies Act, 1913, and to request you to favour this Government with the opinion of your Association, on the proposed legislation. The reply to this letter may please be forwarded, in duplicate, so as to reach this Department before the 20th January 1945.

(Introduced in the Legislative Assembly on 31st March 1944.)

A Bill\* further to amend the Indian Companies Act, 1913.

Whereas it is expedient further to amend the Indian Companies Act, 1913 (VII of 1913); It is hereby enacted as follows:—

1. Short title, commencement and extent.—(1) This Act may be called the Indian Companies (Amendment) Act, 1944.

(2) It shall come into force on the 1st day of April, 1944.

(3) It extends to the whole of British India including British Baluchistan and the Santhal Parganas.

2. Amendment of section 86F, Act VII of 1913.—The present section 86F of the Indian Companies Act, 1913 (VII of 1913), shall be renumbered as sub-section (1) of section 86F and to the section as so re-numbered the following sub-section shall be added, namely:—

"(2) Any director of the company acting in contravention of sub-section (1) shall be deemed to have vacated his office as a director of the company as from the date of such contravention and shall not be eligible for being elected a director of the company for a period of five years thereafter and shall also be punishable with fine which may extend to Rs. 1,000."

STATEMENT OF OBJECTS AND REASONS.

Section 86F was enacted to ensure honesty of dealings on the part of a company's director and to secure the interests of the company. However, it has been found that the provision is not enough to achieve this object. Instances have occurred, where a director who infringed this provision managed to get elected director of the same company. The present section 86F which provides that the office of such a director shall be vacated does not act as a strong deterrent against any infringement of section 86F. The object of the present amendment is to provide such a deterrent by rendering him ineligible for election as a director of the company for a number of years and imposing a heavy fine on him.

(DR.) G. V. DESHMUKH.  
(MR.) GOVIND V. DESHMUKH.

*Copy of letter, dated 16th February 1945, from the Association to the Secretary to the Government of India, Legislative Assembly Department.*

I am directed to draw attention to a Bill further to amend the Indian Companies Act, 1913, introduced in the Central Legislative Assembly by Mr. Govind V. Deshmukh on 31st March 1944. Briefly stated, the Bill seeks to amend section 86F of the Companies Act by introducing a sub-section to the effect that any director of a company acting in contravention of sub-section (1) shall be deemed to have vacated his office as director of the company from the date of such contravention, and shall not be eligible for being elected a director of the company for a period of five years thereafter, and shall also be punishable with fine which may extend to Rs. 1,000. My Committee have carefully considered the Bill in conjunction with the Statement of Objects and Reasons appended thereto. At the outset, they desire to make it clear that they hold no brief for the director or directors of a company who deliberately acts or act in contravention of the provisions of section 86F (1). Their point, however, is that there may be cases where a director may have been, through inadvertence, guilty of a technical breach of section 86F, and in such cases, the punishment proposed in the amendment appears to go far beyond the actual necessities of the case, for by debarring a person from holding the office of a director for a period of five years, the company or companies concerned would be inconvenienced, especially if the director concerned was a technical person. In large commercial centres, where the managing agency system prevails, and where the directors of one company are also directors of other companies, the proposed amendment is likely to lead to serious complications and unnecessary hardship, and if accepted, it is not only a question of one company being inconvenienced, but several companies being deprived of the advice of one of their directors for a period of five years. My Committee feel that the surest remedy for all such cases lies in the hands of the shareholders themselves who may refuse to re-elect a director who, in their opinion, is dishonest. In these circumstances, my Committee are opposed to the principle underlying the amendment.

### APPENDIX 18.

#### AMENDMENT TO THE INDIAN ELECTRICITY RULES.

*Copy of Notification No. A-803, dated 30th November 1943, issued by the Central Electricity Board, New Delhi.*

No. A-803.—In exercise of the powers conferred by section 37 of the Indian Electricity Act, 1910 (IX of 1910), the Central Electricity Board directs that the following further amendments shall be made in the Indian Electricity Rules, 1937, the same having been previously published as required by sub-section (1) of section 38 of the said Act, namely:—

In the said Rules—

I. To clause (d) of sub-rule (1) of rule 60 the following proviso shall be added, namely:—

“Provided that this clause shall not apply in the case of transformers, motors and other apparatus where these are controlled by remotely operated switchgear and where suitable arrangements are made for preventing the remote switch from being closed while men are working on the transformer, motor or other apparatus controlled by the switch, or in cases where compliance with this clause would render inoperative the provisions of sub-rules (2) and (3) of rule 62.”

II. In rule 62, sub-rules (3) and (4) shall be renumbered as sub-rules (4) and (5), respectively, and for sub-rule (2) the following sub-rules shall be substituted, namely:—

(2) A consumer supplied with energy at high pressure shall provide and maintain a locked weather-proof and fire-proof enclosure of agreed design and location for the purpose of housing the licensee's terminal high pressure apparatus and metering equipment. This enclosure should preferably be in a separate building to the consumer's sub-station or installation but where this is not feasible, the licensee's terminal high pressure apparatus and metering equipment shall be completely segregated from any other part of consumer's apparatus by fire-proof walls. The licensee shall, at all times, have access to the enclosure for the purpose of inspecting his apparatus.

Provided that in case of disagreement between the licensee and consumer in regard to the design and the location of the enclosure either party may appeal to the Inspector.

Provided further that installations connected to the licensee's high pressure supply before the 4th December 1943 and not fulfilling the conditions of the sub-rule, need not comply therewith before the 4th December 1944.

(3) Where a consumer proposes to use energy at high pressure, he shall not bring the installations into use except with the approval, in writing, of the Inspector and such approval shall not be given until the following conditions have been complied with, namely:—

(a) Every oil-filled switch or switch-board or static condenser or transformer having an oil capacity exceeding 50 gallons shall be segregated from all other apparatus by suitable fire-proof walls, and suitable oil drains and soak pits shall be provided so as to prevent the spread of oiled fires from any part to any other part, of the installation; and

(b) cable trenches inside sub-stations and containing cables shall be filled with sand, pebbles or similar non-inflammable materials or covered with non-inflammable slabs; and

(c) such other conditions (if any) as the Inspector may think fit to impose.

Provided that installations brought into use before the 4th December 1943 and not fulfilling the conditions of this sub-rule, need not comply therewith before the 4th December 1944.”

III. In sub-rule (1) of rule 118 after the figures “61”, the figures and brackets “62 (2), 62 (3)”, shall be inserted.

IV. In rule 119 for the figures and word “48 and 60”, the figures and word “48, 60 and 62” shall be substituted.

*Copy of letter No. 242, dated 30th August 1944, from the Association to the Secretary to the Government of Bombay, Public Works Department.*

I am directed by the Committee of the Millowners' Association to draw your attention to the amendments to Rule 62, sub-rules (2) and (3) of the Indian Electricity Rules, 1937, published in Government notification No. A-803, dated the 30th November 1943.

The new conditions imposed for high pressure supply, transformers, static condensers and switchgear are such that existing sub-stations and apparatus cannot be modified to meet these conditions unless completely reconstructed. These conditions are not questioned in so far as they apply to new installations, but they should not be made applicable to existing sub-stations and equipment for the following reasons:—

I. All mill sub-stations were designed to comply with the Indian Electricity Rules in force at the time of their installation, and provision could not have been made for the drastic modifications proposed in the amended rule.



2. Sub-station buildings would not allow for segregation of the licensee's terminal high pressure apparatus, and in many instances space is not available for extension to buildings.

Fire-proof walls between switches, static condensers and transformers could not be erected as the necessary space is not available, and also ventilation would be restricted.

Soak-pits and drains for switches, static condensers and transformers would be restricted due to lack of space and cables obstruction.

3. The time allowed for complying with the new rules is totally inadequate; the conditions imposed would necessitate re-designing the sub-stations and re-building, and very considerable quantities of materials would be required including cables and manufactured details not available locally.

4. The alterations would seriously interfere with production.

It is, therefore, suggested that Government should appoint a Committee of experienced practical engineers to assist the Government Inspector in imposing absolutely essential and reasonable modifications as far as practicable to comply with the new rulings, granting exemption until normal conditions prevail.

*Copy of letter No. 1611/36-E1, dated 24th January 1945, from the Deputy Secretary to the Government of Bombay, Public Works Department, to the Association.*

With reference to your letter No. 242, dated the 30th August 1944, I am directed to state that the general exemption asked for by you cannot be given, but each case will be dealt with and exemptions given as and when necessary. I am, therefore, to request you to ask your members to put up cases separately to the Electrical Inspector, Bombay Province, and the same will be dealt with by him as expeditiously as possible.

## APPENDIX 19.

### DEVELOPMENT AND CONTROL OF ELECTRICITY SUPPLY INDUSTRY.

#### RECOMMENDATIONS OF THE POLICY COMMITTEE.

*Copy of letter No. 6848/36-R dated 22nd November 1944, from the Deputy Secretary to the Government of Bombay, Public Works Department to the Association.*

I am directed by the Government of Bombay to forward herewith copies of the † marginally noted correspondence and to request that, with reference to paragraph 6 of the Government of India letter No. E.B.I., dated the 21st October 1944, in the Department of Labour, you will favour Government with the views of your Association as representing consumers.

† 1. Letter No. E. B. 1, dated the 21st October 1944 from the Government of India, Department of Labour and its accompaniment.  
2. Draft Recommended Principles for the Control of Public Utility Electric Supply Finance together with Explanatory Notes thereon.  
3. Draft Resolution embodying the measure of agreement reached at the meeting of the Policy Committee held on the 25th October 1943.\*

would be appreciated if a reply could be received not later than the 7th December 1944.

2. As to item (1) of the Government of India letter dated the 21st October 1944, you are aware that this Government has already announced its intention to set up a Grid System of electricity for this Province. The opinion of your Association is therefore required, more particularly on items (2) and (3) thereof. In view of the short time available, it

*Copy of letter No. E.B.1, dated 21st October 1944, from the Secretary to the Government of India, to Provincial Governments and Chief Commissioners.*

I am directed to say that the Government of India have had under consideration the date for the next meeting of Policy Committee No. 3C-Public Works and Electric Power. They recognise the importance of holding this as early as possible but as the matters for discussion raise issues of great importance, consider it necessary that before the Policy Committee is called, the Government of India should ask for the considered views of Provinces. It has, therefore, been decided not to hold the meeting of the Policy Committee until the end of January.

2. The subjects which the Government of India propose to lay before the Policy Committee are the following:—

(1) Consideration of draft Recommendation (1) of the Draft Resolution forwarded to Provinces, vide page 18 of the Record of the first meeting of Policy Committee No. 3-C (Public Works and Electric Power) and in particular consideration of the following point:—

If that draft Recommendation is accepted, does such acceptance imply that the State should take every suitable opportunity that occurs to take over under the terms of leases public utility undertakings and if so should the Resolution be re-drafted to make this clear?

(2) Consideration of the principles for the control of public utility electric supply finance.

(3) Consideration of Section 7 of the Electricity Act.

(a) Is it advisable to amend the Electricity Act to provide that, where under that Act an option is given to a local authority to take over, it shall be open to the Provincial Government to take over if it is satisfied that such taking over is necessary or advisable for the development on a Provincial basis of electric power in the Province?

(b) Is it advisable to provide by amendment of that Act that, where power is given by that Act to a Province to take over a public electricity supply undertaking, that power may be exercised by the Centre to the exclusion of the Province where the Governor-General is satisfied that the taking over by the Centre of that particular public utility undertaking is necessary for the satisfactory regional development not only within but also outside the borders of the Province?

(4) Statement regarding—

(a) the Central Technical Power Board, and

(b) arrangements for the training of Electrical Engineers and discussion of such arrangements.

3. As regards item (1) of the agenda, a memorandum is enclosed in which certain aspects of the question are discussed. This memorandum should not be taken as expressing the final views of the Government of India.



4. As regards item (2) of the proposed agenda, the Electrical Commissioner has circulated with his letter No. E1. C, 2(L)-o, dated 9th August 1944, certain recommended principles and the Government of India propose that these recommended principles (with any modifications that the Electrical Commissioner may introduce on a consideration of replies received from Provincial Governments) should be taken as a basis for the discussions at the Policy Committee meeting.

5. As regards item (3) the matter has not at present been considered here.

6. I am to request that your Government would consider items (1), (2) and (3) which are proposed as agenda for the Policy Committee meeting, and after consultation with the interests concerned—both consuming and producing in your Province—would forward their views to the Government of India to reach them not later than the 10th of December. The matter is of such importance to future planning that the Government of India think it necessary that the Policy Committee should be held not later than the end of January, and if this is to be done, then Provincial Governments' replies must be received not later than the middle of December.

7. I am also to ask that your Government would state whether they agree with the view of the Government of India that the Electrical Commissioner's recommended principles may be taken as a basis for discussion on item (2).

*Copy of memorandum pertaining to certain matters regarding future development of electric supply in India.*

The issue of new licences has generally been suspended in the last few years with a view to conserve resources for the effective prosecution of the war. This was necessary to conserve fuel, cable, wiring and accessories, but these considerations will no longer apply after the cessation of hostilities and the expansion of the industry will need to be actively encouraged.

2. It is, therefore, necessary to consider the policy to be followed regarding grant of new licences for electric supply in the immediate post-war period and this memorandum has been prepared to put forward certain matters that must be kept in view before arriving at decisions.

3. At the first meeting of the Policy Committee No. 3(C) (Public Works and Electric Power) held in New Delhi on 25th October 1943, regarding the further development of electricity supply in India, discussions led up to the recording of a resolution as follows:—

"This meeting recommends that the further development of electricity supply in India be actively pursued as a State or quasi-State enterprise and that steps be taken to eradicate any factors in the present system which retard the healthy growth of electrical development in the Provincial State and Local Authority owned undertakings as well as the commercially owned undertakings."

4. If this resolution is to be fully implemented, and electric service is to expand rationally in line with the needs of other industries and rural development, it would now seem necessary to reach a definite understanding on the practicability and extent of future State participation in the electric supply industry as well as on the circumstances and conditions (if any) under which new supply licences may be granted to commercial undertakings.

5. It may be felt that no immediate problem exists with regard to existing large and efficient electric supply undertakings, whether operated by commercial concerns or by Provincial Governments (though a greater measure of public control of some of the financial activities of the former may certainly be desirable and is, in fact, also under consideration), and that the problem to be solved relates more to the best manner of post-war development of hitherto untouched, or mismanaged areas. It is clear, however, that means must be found to replace any licensees guilty of mismanagement as soon as possible.

6. It may perhaps first be advisable to mention briefly some of the reasons which led the Policy Committee to pass the resolution referred to above.

- (a) In the past licences have often been granted to small *entrepreneurs* who have neither the commercial ability nor other desirable qualifications to enable them to undertake any aggressive expansion and, consequently, supply in the areas concerned has lapsed into a moribund state, with the Managing Agents, in certain cases, the only ones who are profiting from the venture. It is desirable that this should be avoided in future.
- (b) Once a licence has been granted, the present legislation gives the Government little control over the promotional activities of the undertaking, and the development of the area is left largely to the enterprise of the licensees' management. As a result, certain loads beneficial to the general economy of the area may be neglected because they do not show an immediate financial return to the supplier. This is evidenced by the almost complete lack of rural electric service in all but State-owned undertakings.
- (c) Electrification by individual licensees has in many cases led to unco-ordinated and haphazard growth, with whole regional needs being neglected while the requirements of urban areas take pride of place. There must always be considerable difficulty in obtaining agreement between private undertakings for joint expansion schemes, as the management of each will of necessity be concerned primarily with its owners' moneys, and only with the welfare of the community served when it is productive to these owners.

7. For these reasons it seemed best that as a general rule when plans are being laid for post-war electric development, the State should contemplate carrying out such schemes itself or through its own agents, especially bearing in mind that the cost of money to Government or to a quasi-Government organization will be approximately half that charged to any new commercial licensee.

8. It must be realised, however, that the building up, owning and operation of any electricity supply undertaking requires careful planning, and an organization adequately equipped with commercial and technical personnel. Certain Provincial Governments have such organisations, but these have been the result of many years' work, and it will not be in the public interest for other Governments to engage at once in running similar electricity supply undertakings unless thoroughly prepared.

9. It seems essential that, where a Provincial Government has decided to initiate State-wide planning of schemes of electrification, a start should be made by carrying out a complete load survey of the Province and the possibilities of economic generation, preferably in consultation with the Central Technical Power Board now in process of formation. A view held by some is that, thereafter, Provinces which have hitherto had no experience in running an electricity supply undertaking should make a start in active operation by "cutting their teeth" on "nursery" electrification schemes for small towns, and areas where rural load is available, purchasing in bulk for the purpose from existing or newly established reasonably efficient stations where practicable, and operating small power units, such as diesel generators, elsewhere. It is only natural perhaps that the more directly remunerative schemes may, on occasions, attract attention first, but it may be considered that the State should appreciate the situation from an all-round economic point of view, and so avoid the accusations which are levelled against most private enterprise of only skimming the cream of the business and leaving the rest undeveloped.

10. It seems advisable that any new Provincial initiative in the field of electricity should not be administered "departmentally," at least for longer than absolutely unavoidable, but rather that a separate Statutory Board should be constituted for the purpose. When the time is appropriate, such a Board would operate in those areas not fed by existing licensees, deal with areas taken over from mismanaged undertakings and, in due course, purchase other undertakings at the expiration of their licences, if considered advisable.

11. It is suggested that if any Government decides to organise the promotion of electricity by means of a Statutory Board, plans for the formation of such a Board should be initiated forthwith, as numbers of legal and administrative problems are likely to be involved.

12. In any case the setting up of a Board with really good technical staff, even if decided upon at once, is likely to take some time, and meantime it may be felt desirable by some Governments either to start work under a departmental system, or to grant new licences to commercially owned undertakings, so as not to hold up progress.

13. Should it be considered, having regard to the drawbacks of initiating departmental operation, that commercial operation is likely to give greater benefit to the community for the time being, then it will be necessary to lay down certain definite terms in the new licences, bearing in mind the opinion of the Policy Committee meeting in Delhi on 25th October 1943, that the ultimate nationalisation of this key industry, is desirable.

14. For example, any uncertainty as to the explicit intentions of Government on the question of nationalisation will create uneasiness in the minds of the investing public and affect the flow of new capital into the industry. It is necessary, therefore, that the terms of new licences should, in particular, be very clear regarding the period of the franchise and the terms of ultimate acquisition, so that there may be no discouragement from investment in new plant as and when it becomes necessary.

15. With regard to the period of the license, it may be felt that this should be fixed with reference to the shortest time which will attract suitably qualified promoters. With regard to the terms of acquisition, it is felt that the present accepted definition of "value" as the "then market value plus a percentage for compulsory acquisition" is liable to lead to considerable doubt and expenses in arbitration, and this might be avoided if some definition such as the "book value of the physical assets less the depreciation accrued on the prescribed scale," were included instead.

16. Any new licences, or indeed modification of old licences, should include a clear definition of the "reasonable returns" which the licensee may be allowed to earn during his tenure of the licence. This is necessary both from the point of view of protecting the consumer and ensuring to the investor a fair return on his investment. A memorandum on the subject was forwarded to your Government in July this year by the Electrical Commissioner.

17. The following further points should, it is felt, also be carefully considered when any new licence is under contemplation:—

- (1) Electricity supply is a long-term investment project and has none of the "get-rich-quick" features of many mushroom growth industries. The reasons behind any application for a licence should therefore be looked into.
- (2) Besides the requisite capital for the original installation, adequate working capital is necessary to meet operating expenses and growing demands during the first few years when returns are small. The financial stability of the applicants should therefore be very thoroughly investigated.
- (3) Competent operating staff is a prerequisite to the success of any undertaking. The employment of technical personnel, including accountants and secretaries, should be subject to Government control.
- (4) Preference should be given to promoters having previous experience of electric supply, and a satisfactory record.
- (5) The area of the licence should be limited to that which the licensee may reasonably be expected to develop during the continuance of his licence and, before Managing Agents are employed, the agency agreement should be approved by the Government before it is signed and should be included as a Schedule to the Licence.

*Draft Resolution embodying the measure of Agreement reached at the meeting of the Policy Committee held on the 25th October 1943.*

(1) This meeting recommends that the further development of electricity supply in India be actively pursued as a State or quasi-State enterprise and that steps be taken to eradicate any factors in the present system which retard the healthy growth of electrical development in the Provincial, State and Local Authority owned undertakings as well as the commercially owned undertakings.

(2) This meeting recommends that a Central organisation be set up by the Government of India to undertake the following work:—

- (a) Collect and maintain adequate statistical data of electricity supply throughout India.
- (b) Act as a Central Advisory body in all matters relating to improvements in the administration of the Indian Electricity Act, 1910, with particular reference to the establishment of model conditions governing the provisions of licences with a view to introducing terms or conditions covering the following:—
  - (i) return on and raising of capital,
  - (ii) compilation and presentation of accounts,
  - (iii) allocations to and treatment of reserves,
  - (iv) uniform scales of depreciation,
  - (v) sliding scales for division of profit over fair returns.
- (c) Set up a well-equipped standardising, testing and research organisation for electricity supply and problems allied therewith.
- (d) Undertake education and propaganda to encourage the accelerated development and utilisation of electricity.
- (e) Assist Provincial or State Governments where required in planning major power schemes.
- (3) This meeting recommends that a scheme be drawn up by the Government of India—
  - (i) for the overseas training of a selected number of Indian Engineers in the administrative-commercial side of electricity supply, and also
  - (ii) for the overseas training of Electrical Engineers.

*Copy of letter No. 370, dated 8th January 1945, from the Association to the Deputy Secretary to the Government of Bombay, Public Works Department.*

I am directed to acknowledge the receipt of your letter No. 6646/36-R, dated the 22nd November 1944, addressed to the President of the Association, and to forward the following views of the Committee of this Association in the matter.

The Committee of the Association are of opinion that there is no justification for the recommendation embodied in the draft resolution that further development of electricity supply in India should be actively pursued as a State or quasi-State enterprise. The experience of the member mills of this Association has been that the service rendered by privately managed supply companies in Bombay has been entirely satisfactory. The Committee feel that it is unlikely that State or quasi-State managed enterprises would be as efficient as the privately managed concerns, and they apprehend that an attempt might be made to subsidise the losses from the proposed extensions into rural areas out of the charges made to industrial consumers in urban areas.

The Committee have carefully examined the reasons, mentioned in the memorandum, which led the Policy Committee to pass a resolution recommending State or quasi-State enterprise for the further development of electricity supply. The difficulties which existed in the present system are stated to be briefly as follows:—

(1) *Granting of licences by Government to small and incompetent licensees.*—It may be pointed out that if undesirable entrepreneurs have been given licences in the past, the responsibility for that state of affairs rests with the Government who had the necessary power to refuse to grant such licences. In regard to the future, such a possibility could be avoided by discretionary use of the power vested in the Government to grant licences. No change in the system seems to be necessary in this respect.

(2) *Lack of development in rural areas.*—The Committee of the Association are in favour of extending the supply of electricity to rural areas, but do not agree that only State or quasi-State enterprises can achieve this object. It is possible to provide rural electric service by private companies provided the necessary co-operation is given by the Government. Rural electric service is generally unremunerative, but experience in the United States of America shows that subsidised private enterprises could successfully undertake to supply electricity to rural areas. In this connection, the Committee would refer to the procedure followed by the Rural Electrification Administration, a Federal Agency in the United States of America in developing the supply of electricity to rural areas. By following a similar procedure, it would be possible to grant subsidies by Government in the form of loans at low interest rates to finance the capital cost of distribution lines in rural areas and loans to consumers on a hire-purchase basis to assist prospective consumers to finance the cost of their electrical installations.

(3) *Difficulties in the co-ordination of regional developments and in reaching agreements between private undertakings for joint extension schemes.*—My Committee do not agree that State or quasi-State ownership is necessary to overcome the difficulties, if any.

In the opinion of the Committee of the Association, development of electricity should be left to private enterprise under the control and supervision of Government. Even in cases where, on account of the fact that new hydro-electric schemes are put into effect affecting large areas and where due to the fact that other problems, such as, irrigation, flood control, navigation, etc., have to be considered, Government contemplate State management, my Committee are of opinion that the distribution work should be left to private enterprise.

The Committee of the Association have also considered the principles recommended for the control of public utility electric supply finance. They agree that definite provisions should be made for the regulation of the public utility electric supply finance with a view to see that both the investors and the consumers of electricity get a fair deal. The Committee have not had an opportunity to examine the suggestions given in the draft principles, but would offer the following general comments:—

(a) The principle whereby the whole amount set aside in the depreciation fund is deducted from the "capital employed" in establishing the amount on which a reasonable return is to be allowed is, in the opinion of the Committee, erroneous and would result in the investor never receiving the full return on his investment at the "standard rate" except in the first year. It is the investment in property that should be the basis and the depreciation reserves hold the value of the investment unchanged. In other words, the depreciation reserves are part of the property of the undertaking as much as the plant itself. In the opinion of the Committee, only the amount set aside in the depreciation fund in excess of the actual existing depreciation in the value of the property should be deducted. An electric supply undertaking, like any other enterprise, is entitled to compensation for management of the investment and for performance of the risk-taking function. Unless the enterprise is reasonably compensated, management might be expected with justification, to reduce the risk and responsibility by investment of the depreciation fund in Government securities and/or other relatively risk-free securities instead of utilising it to finance plant additions to the property of the undertaking.

(b) In the opinion of the Committee, it would also be inequitable to deduct from the "capital employed" the other reserves set aside by an undertaking which normally represents earnings that the investors have "ploughed back" into the enterprise instead of paying it out in dividends, unless it can be fully established that such reserves were accumulated out of excessive charges to consumers. To establish that such reserves were unfairly acquired, it would be necessary to examine the working of the undertaking during each year from its commencement with due consideration to the conditions then existing from the viewpoint of the rates charged to consumers, the dividends paid and money market conditions in those years.

I am desired to express the hope that the views set forth above will be given due consideration by the Government.

## APPENDIX 20.

### COMPENSATION FOR INVOLUNTARY UNEMPLOYMENT DUE TO SHORTAGE OF COAL, RAW MATERIALS, OR CHANGES IN LINES OF PRODUCTION, OF WHICH ADEQUATE NOTICE CANNOT BE GIVEN.

*Copy of letter, dated 9th October 1944, from the Employers' Federation of India, to all members of the Federation.*

*Subject:—COMPENSATION FOR INVOLUNTARY UNEMPLOYMENT DUE TO SHORTAGE OF COAL, RAW MATERIALS OR CHANGES IN LINES OF PRODUCTION.*

I reproduce, for the information and guidance of members, the text of a letter and enclosure received from the Government of India in the Department of Labour on the above subject.

The principles now formulated by Government in the matter of paying compensatory allowance to workers for involuntary unemployment under certain circumstances are generally in accordance with the submissions made by our delegates at the last session of the Plenary Labour Conference when the subject was discussed. Government have, however, made one variation. While our representatives suggested that Government must meet at least one half of the financial liability involved in the proposal, it has now been announced that the cost of benefits will be admitted as revenue expenditure for income-tax and E.P.T. purposes.

*Letter No. L1981, dated 2nd October 1944, from the Under Secretary to the Government of India, Department of Labour, to the Federation.*

"I am to say that, as a result of the discussions on the above subject at the Tripartite Labour Conference held in September 1943, the Government of India have formulated certain principles for the grant of compensation for involuntary unemployment due to shortage of coal, raw materials or changes in lines of production, a copy of which is enclosed for information. The principles have already been circulated to Provincial Governments and also brought to the notice of certain individual States."

#### ANNEXURE.

(1) *Kinds of unemployment covered.*—(a) The proposals relate only to short-term unemployment, during the period of the war, due to shortage of coal or raw materials or changes in lines of production of which adequate notice cannot be given.

(b) The proposals do not cover closures of factories or of departments due to special Government orders.

(c) The proposals do not cover closures of which adequate notice is given under standing orders, whether statutory or voluntary.

2. *Benefits to be given.*—(a) Benefit which should be on a scale lower than the ordinary rate of pay may be fixed in either of two ways:—

(i) 75 per cent. of the ordinary rate of pay for first fortnight of unemployment and 50 per cent. of the ordinary rate of pay for the second fortnight of unemployment with possibly a flat rate or benefit for persons drawing lower levels of incomes.

(ii) A flat rate which would be about 75 per cent. of the average of lower range of wage rates in the undertaking.

(b) Duration of benefit should be one month allowing for a waiting period of seven days (benefit, however, to start from the first day of unemployment provided the unemployment lasts longer than the waiting period).

(c) This special unemployment benefit will not qualify a worker for bonuses determined by reference to earnings over any period.

(d) The cost of benefits will be admitted as revenue expenditure for income-tax and E.P.T. purposes.

3. *Conditions attached to benefit.*—(a) To qualify for benefit, a worker must answer to a muster roll once a day at his usual place of employment or, with the permission of the employer, at any other place.

(b) A worker will be ineligible for benefit if he unreasonably refuses work even of a different sort in his usual factory or (provided employment offered is in the same locality) by transfer from one department to another in the same undertaking or industry or from one industry to another. In case of dispute whether an objection to transfer was reasonable or not an authority designated by the Provincial Government shall decide finally. For the transfer of labour from one industry to another, use will be made of the Employment Exchanges in respect of skilled and semi-skilled personnel and in Unskilled Labour Supply Committees in respect of unskilled labour.

(c) The employer will not be entitled to discharge during the benefit period any worker who has been in continuous employment with the same employer or in the same industry in that locality for a period of not less than three months.

4. *Benefit by whom given.*—The liability to pay benefit will be on the employer.

5. *Industries covered.*—All industries should be covered whether engaged on war industry or otherwise.

6. *Methods of ensuring payment of benefit.*—A Province (or State) should use its good offices or conciliatory powers to persuade employers to pay; though in suitable cases disputes in this regard can be referred to adjudication under Defence of India Rules 81A.

Where voluntary agreement between the employer and the workers has been reached or where the Provincial Government is satisfied as to the detailed measures of benefit necessary, the agreement or the details could be embodied in an order to be passed under Defence of India Rules 81A (1) (b) after consultation in individual cases with the Central Government.

The State Governments will utilise the appropriate legal machinery available to them.

#### DIRECTIVE FOR THE USE OF THE EMPLOYING DEPARTMENTS OF GOVERNMENT OF INDIA

It has been decided that Central Government as employer in any department should pay compensation for involuntary unemployment to workers employed in industrial undertakings under them.

2. Unemployment benefit should be payable only for short-term unemployment during the period of the week due to shortage of coal or raw materials or change in lines of production of which adequate notice cannot be given:

3. These benefits are not to be paid in cases of

(a) closures of industrial undertakings or of departments due to special Government orders,

(b) closures of which adequate notice is given under the standing orders whether statutory or otherwise.

4. Benefits, which should be on a scale lower than the ordinary rate of basic wages, may be fixed in either of the two ways:—

(i) 75 per cent. of the ordinary rate of pay for first fortnight of unemployment and 50 per cent. of the ordinary rate of pay for the second fortnight of unemployment with possibly a flat rate or benefit for persons drawing lower levels of incomes.

(ii) a flat rate which should be about 75 per cent. of the average of lower range of wage rates in the undertakings.

5. Duration of benefit should be one month allowing for a waiting period of seven days (benefit, however, to start from the first day of unemployment provided the unemployment lasts longer than the waiting period).

6. To qualify for benefit a worker must answer to a muster roll once a day at his usual place of employment or, with the permission of the in-charge of the undertaking, at any other place.

7. A worker will be ineligible for benefit if he unreasonably refuses work even of a different kind in his usual factory or establishment or by transfer from one department to another in the same establishment or from one establishment to another. In case of dispute whether an objection to transfer is reasonable or not an authority designated by the department concerned shall decide finally.

8. In case of difficulty in providing alternative employment to technical personnel or unskilled workers the Government Departments concerned are invited to utilise the services of the employment exchanges in the case of skilled and semi-skilled personnel and of Unskilled Labour Supply Committees, in the case of unskilled labour.

9. A worker who has been in continuous employment of an establishment under the Government for a period of not less than three months, shall not be discharged during the benefit period.

10. All industrial establishments of the departments of Government of India should be covered irrespective of the fact whether they are engaged on war work or otherwise.

Copy of letter No. 315, dated 25th October 1944, from the Association to the Under Secretary to the Government of India, Department of Labour, New Delhi.

Subject:—COMPENSATION FOR INVOLUNTARY UNEMPLOYMENT DUE TO SHORTAGE OF COAL, RAW MATERIALS OR CHANGES IN LINES OF PRODUCTION.

I am directed to refer to your letter No. L. 1981, dated the 2nd October 1944, to the Employers' Federation of India, on the above subject, a copy of which has been received by this Association, as one of the constituent members of the Federation, and to state as follows:—

The principles formulated by the Government for the grant of compensation for involuntary unemployment under certain circumstances have been examined carefully by the Committee of this Association, and while they do not wish to comment in detail on the various proposals at this stage, they would like to point out that the method suggested for ensuring payment of benefits is not satisfactory and is not calculated to secure uniformity in the matter of benefits. According to the Government proposal, which is quoted below for ready reference, it has been left to local Governments to use their conciliatory powers to persuade employers to pay, sending appropriate cases to adjudication under the Defence of India Rules.

"Methods of ensuring payment of benefit.—A Province (or State) should use its good offices or conciliatory powers to persuade employers to pay; though in suitable cases disputes in this regard can be referred to adjudication under Defence of India Rules 81A.

Where voluntary agreement between the employer and the workers has been reached or where the Provincial Government is satisfied as to the detailed measures of benefit necessary, the agreement of the details could be embodied in an order to be passed under Defence of India Rules 81A (1) (b) after consultation in individual cases with the Central Government.

The State Governments will utilise the appropriate legal machinery available to them."

My Committee feel that the procedure outlined above would perhaps lead to different conditions and rates of payment in different provinces as there is nothing to prevent the adjudicators or conciliators concerned from proceeding on the assumption that the scales suggested by Government are only the minimum and that they are free to compromise at or award rates which may be substantially higher than those suggested by Government. My Committee, therefore, feel that the best course would be for Government to issue an order fixing the rate and conditions of payment which can be statutorily enforced throughout British India and Indian States.

*Copy of letter No. 315, dated 1st December 1944, from the Association to the Under Secretary to the Government of India, Department of Labour, New Delhi.*

**Subject :—COMPENSATION FOR INVOLUNTARY UNEMPLOYMENT DUE TO SHORTAGE OF COAL, RAW MATERIALS OR CHANGES IN LINES OF PRODUCTION.**

I am directed to refer to my letter No. 315, dated the 25th October 1944, on the above subject, and to state that, on an examination of the conditions attached to the proposed compensation, my Committee find that the categories of workers who are eligible to receive the benefit have not been clearly defined. The conditions indicated in paragraph 3 of the annexure to your communication to the Employers' Federation of India only specify that a worker must answer to a muster roll once a day at his usual place of employment or, with the permission of the employer, at any other place, and that a worker would be ineligible for benefit if he unreasonably refused work even of a different sort in his usual factory or (provided employment offered is in the same locality) by transfer from one department to another in the same undertaking or industry or from one industry to another. My Committee feel that the scope of the proposed compensation should be confined to permanent workers only and to those workers who have put in at least three months' continuous work in the factory. It cannot have been the intention of Government to cover casual or *badli* workers under the proposed scheme, and my Committee are of opinion that this point should be cleared up. The formula suggested above is intended to cover all permanent workers and workers who have been attached to the factory for a reasonably long time and it is hoped that it will be possible for Government to incorporate this suggestion in the proposed scheme.

*Copy of letter No. L.O. III-13256, dated 13th December 1944, from the Commissioner of Labour, Bombay, to the Association.*

At the Second Tripartite Conference there was general agreement that workers who have been temporarily thrown out of employment owing to shortage of coal and similar reasons should be given relief. The Government of India have accordingly forwarded the accompanying proposals\* and the Government of Bombay hopes that employers will give effect to these proposals. The Government of Bombay considers that where such stoppage has occurred and relief is not given a demand for relief would be a fit subject for adjudication. *Prima facie* notice of one month would satisfy the requirements of para. 1 (c), and repeated closures for 7 days or less separated by short periods would be regarded as not in accordance with the intention of para. 2 (b).

*Copy of letter No. 315, dated 20th January 1945, from the Association to the Commissioner of Labour, Bombay.*

**Subject :—COMPENSATION FOR INVOLUNTARY UNEMPLOYMENT DUE TO SHORTAGE OF COAL OR RAW MATERIALS OR CHANGE IN LINES OF PRODUCTION OF WHICH ADEQUATE NOTICE CANNOT BE GIVEN.**

I am directed to acknowledge the receipt of your letter No. L.O. III-13256, dated the 13th December 1944, on the above subject, which has been considered by my Committee.

Your letter refers to compensation for workers "who have been temporarily thrown out of employment owing to shortage of coal and similar reasons." My Committee desire to point out that the expression "similar reasons" is misleading; the scheme formulated by Government definitely limits its application to "short-term unemployment, during the period of the war, due to shortage of coal and raw materials or changes in lines of production of which adequate notice cannot be given."

Turning now to the two specific issues raised by you, I am directed to point out that in the opinion of my Committee a month is too long a period for any employer to come to a conclusion with a reasonable degree of accuracy and on the basis of the facts and data which may then be available to him, that raw materials may not be available on account of transport difficulties. Notices of suspension of work of whatever nature are likely to irritate the workers, and my Committee are anxious that they should be avoided as far as possible, and put up only in cases where they are absolutely essential. If, however, Government insist on giving a month's notice, it is very likely that notices will be put up which may subsequently turn out to be unnecessary. The best solution to this state of affairs, in the opinion of my Committee, is to reduce the period to 14 days.

The next point raised by you is in connection with intermittent unemployment, and your view seems to be that two or three periods of unemployment, each extending to less than seven days, but separated by short intervals should be aggregated for the purpose of granting compensation. You state in your letter that "*prima facie* . . . repeated closures for 7 days or less separated by short periods would be regarded as not in accordance with the intention of para. 2 (b)." My Committee do not see the justification for this inference. Though the scheme was discussed at more than one meeting of the Labour Committee, this particular issue was not raised at all. No employer would like to close down his factory unless such closure was forced on him through circumstances such as those mentioned in the scheme. If Government are of the opinion that a situation is likely to arise under which closures of less than 7 days' duration each and separated by short intervals is likely to occur, then the best way of meeting that situation would be to make arrangements even now to avoid it by adopting a more liberal policy in the matter of wagon supplies and a business-like policy in the matter of the placement of orders for textiles for defence requirements.

*Copy of letter No. 315, dated 20th January 1945, from the Association to the Under Secretary to the Government of India, Department of Labour, New Delhi.*

I am directed to draw your attention to my letters No. 315, dated the 25th October 1944 and 1st December 1944. In my first letter I stated that, in the opinion of the Committee of the Association, there existed a very strong case for the Government of India issuing orders under the Defence of India Rules with a view, among other things, to secure uniform terms and conditions all over the country. My Committee have since received a communication from the

\* Printed on page 79 as an accompaniment to letter No. L. 1931 dated 2nd Oct. 1944 from the Under Secretary to the Department of Labour to the Employers' Federation of India.



Commissioner of Labour, Bombay, a copy of which is enclosed for ready reference. I also enclose a copy of the reply which this Association has sent. Perhaps the departments charged with the administration of labour in other provinces are also giving their own interpretations to the whole scheme, and trying to secure the adherence of the employers in their respective areas to these interpretations, thus bringing about different sets of conditions in different provinces. My Committee, therefore, reiterate their view that the Government of India should, in the best interests of all concerned, issue an order under the Defence of India Rules so that there may not be any question of individual provinces acting according to their own wishes and interpretations.

As the issues involved are of far-reaching importance, my Committee may kindly be informed at an early date of the reactions of Government to the suggestions made by this Association.

## APPENDIX 21.

### POST-WAR INDUSTRIAL DEVELOPMENT OF INDIA.

*Copy of letter No. 156-ISI (3)/43(I), dated 20th November 1943, from the Secretary to the Government of India, Department of Industries and Civil Supplies, to Industrial Associations.*

I am directed to address you on the subject of the industrial aspect of post-war reconstruction.

2. The Government of India are anxious without further delay to collect information with a view to the formulation of plans for the future of Indian industry. In order to prepare the ground for this work the Government of India must have before them as complete a picture as possible of Indian industries as they are to-day and of the position in which they are likely to find themselves on the cessation of hostilities. For the purpose of obtaining this information a questionnaire has been drawn up, after consultation with the Trade and Industry Reconstruction Policy Committee, which is a committee of non-officials and official representatives of the Central and Provincial Governments and of Indian States. The questionnaire shows the information which is considered necessary for the purpose of industrial planning. A copy of it is enclosed.\* You will observe that it asks not only for facts and figures (most of which are unobtainable from known existing statistical publications or official sources) but also for opinions as to the future orientation of industry; the two are complementary. It is felt that in addition to the collation of information now in the possession of Government, which task is being undertaken, they must in this respect ask for the co-operation of industry itself in providing them. The Government of India are anxious for the closest association of industry in their post-war industrial planning and they look forward confidently to your willing co-operation in this work of such importance to India's economic future.

3. Enclosed\* with the questionnaire is a list of industries together with the products of each industry regarding which it is desired to have separate sets of information as asked for in the questionnaire. Information in reply to questions 1-5, 11 and 13 is desired separately as regards each product; the remaining questions concern the industry as a whole. The Government of India invite your assistance in providing the information called for in this questionnaire. While all possible attention has been paid to the wording of the questionnaire, it is realised that you may not be able always to provide replies in the desired form, and in that case you are requested to furnish them in such form as may suit you best, though it would be appreciated if you could manage to keep as closely as possible to the form provided. Any information will be treated as confidential if you so desire.

4. This letter is being addressed to your Association in the hope that you will be able and willing to give comprehensive replies to the questionnaire for the industry as a whole regarding its different products. The list\* attached to the questionnaire shows also the organisations to whom it has been sent; if any of the individual firms who have been addressed are members of your association, you are requested to collect the desired information from them and consolidate it in your reply. If any important manufacturers in this industry have not been addressed and are not members of your association, so that you are unable to collect information from them, will you please inform the Government of India as soon as possible and arrangements will then be made to address them direct. Other industries are being similarly addressed. If any important product has been omitted, it would be appreciated if you would add it to the list and furnish particulars as in the case of the rest.

5. The Government of India realise that the task which they are asking you to undertake is one of some magnitude, but they have no doubt that you will agree that it is one of first class importance and they are confident that if, with the co-operation of Indian industry, a sound basis can be laid for industrial planning, it will be possible to carry through measures of industrial advancement which will be of permanent and inestimable value to every aspect of the country's welfare. I am to request you kindly to do your utmost to furnish your reply within two months from the date of receipt of this letter. Further copies of this letter will be provided if you require them.

*Copy of letter No. 348, dated 28th April 1944, from the Association to the Secretary to the Government of India, Department of Industries and Civil Supplies, New Delhi.*

I have the honour to acknowledge the receipt of your letter No. 156-ISI (3)/43(I), dated the 20th November 1943—this letter being received in the office of the Association on 10th February 1944. There is nothing to indicate that the letter and enclosure were intended for the Association. The letter appears to have been addressed to "Industrial Associations marked with an asterisk in the list attached," but according to the "List of addresses," attached to Government's communication, the Chairman, Textile Control Board, Sir Vithaldas Chambers, 16, Apollo Street, Fort, Bombay, is supposed to be dealing with this matter, but in the absence of asterisk mark against his name he has not probably received it; nor have we so far received any communication from the Textile Control Board in this matter.

2. In any event, as the circular letter has come to the Association, my Committee desires to make one of two observations with reference to the questionnaire, for the information of Government and for such action as they may desire to take in this matter.

3. The questionnaire seems to have been designed mainly—if not wholly—from the point of view of unorganised industries or industries in respect of which no published statistics are available. As Government are aware, complete information in regard to the cotton textile industry is already available to Government in the Cotton Spinning and Weaving Statistics published by the Director-General of Commercial Intelligence and Statistics, and in the Reports of this Association, from year to year. This can be supplemented to a very large extent by the statistical and other details already included in recent Tariff Board, and other Reports, both Governmental and otherwise.

4. This Association is, however, answering the questionnaire to the best of its ability, but my Committee hope that Government will realise the difficulty of discussing, within the framework of a questionnaire, all the post-war problems of the industry and the solution thereto. This matter, in so far as it concerns the Indian cotton textile industry, is a very complicated and specialised problem, which cannot be solved satisfactorily except with the active assistance of a Committee of industrialists assisted by one or two experts appointed by Government, who would go into this matter thoroughly and systematically. Such a Committee should sit at the headquarters of the industry, viz., Bombay, and keep in touch with other centres of the industry.

5. Turning now to the questionnaire:—

**Question A-1.—General.**—1. Actual quantitative production per annum of each of the principal products of the industry expressed in terms used by the industry—

- in the year 1937.
- in the year 1942.
- in any other year which the industry considers typical.

**Answer.**—The enclosed *Statements Nos. 1A and 1B*\* contain full particulars of production of cloth (in yards) and yarn (in lbs.) of the Indian cotton mill industry in the period 1935-36 to 1942-43.

**Question A-2.**—Approximate quantities of the product—

- consumed in India (i) in 1937 (ii) in 1942.
- imported into India (i) in 1937 (ii) in 1942.
- exported from India (i) in 1937 (ii) in 1942.

**Answer.**—The enclosed *Statements Nos. 2A and 2B*\* show the position re. production, imports, exports and the estimated quantities of cotton piecegoods and yarn available for consumption in India in the period 1935-36 to 1942-43.

**Question A-3.**—Expectation of post-war consumption, internal and external, and under what conditions.

**Answer.**—It is very difficult to give any estimate re. the demand for Indian mill-made cloth and yarn from India itself and from the overseas markets. The estimated *per capita* consumption of cloth in this country before the war was in the neighbourhood of 16 yards per annum, and any increase in this rate of consumption in the post-war period will be unlikely unless the purchasing power of the average consumer in this country is improved. There might, however, be a slight increase in the total offtake of cloth in the country as a whole, but this is more due to the fact that the population of the country is increasing at the rate of about 5 crores per annum.

The position as regards the demand for India's cloth in overseas markets is also very nebulous. At present, as Government are aware, the total exports of cloth are limited to 600 million yards per annum, and the question as to whether and, if so, to what extent, India's sendings of cloth to overseas markets should be permitted or improved in the post-war period should be considered, it is felt, in conjunction with the supply position in this country itself.

India's capacity to increase her exports in the immediate post-war period will, to a certain extent, be limited as the following figures will show:—

Estimated consumption by 400 million people at 16 yards per head per annum	6,400	Million yards.
Maximum capacity of the Indian cotton mill industry at present	4,500	
Average capacity of the Indian handloom and cottage power loom industry	1,800	
	<u>6,300</u>	
Against a total requirement of	6,400	

It would, therefore, be seen that, if immediate facilities are not given to the Indian cotton textile industry and to the Indian handloom and the cottage power loom industry to improve their productive capacity by installing additional looms and spindles, India will not only be unable to make any contribution to the world pool, but would also be unable to keep pace with the requirements of her ever-increasing population.

**Question A-4.**—Percentage of product used in (a) war orders, (b) civil consumption, and (c) civil export in 1942.

**Answer.**—To quote from peak figures, the figures are as under:—

Annual production of mill-made cloth	4,500	Million yards.
Export	1,000	
War orders	1,000	
	<u>2,500</u>	

**Note.**—It should be noted that the figures in this answer represent only Indian mill production, and do not include production of handlooms and cottage power looms.

**Question A-5.**—Raw materials used in 1942:—

- Quantities.
- Amounts obtained indigenously.
- \* Amounts obtained by import (source of supply).

**Answer.**—The enclosed *Statements Nos. 3A and 3B*\* contain information relating to the consumption of Indian and imported cotton by mills in India.

*Statement No. 4*\* contains particulars showing quantities of textile machinery, mill-stores and dyes imported into India in the last five years. In the period covered by the statistics, the mill industry was generally working on single shift, and to-day practically all mills in India are working double shift, and prices have gone up in several cases by more than 300 per cent.

**Question A-6.**—Cost of plant and equipment now employed:

- indigenously fabricated.
- imported (source of supply).

**Answer.**—The Indian cotton textile industry, just before the outbreak of the war, represented approximately a capital investment of Rs. 100 crores. (This figure includes the price of land, buildings, machinery and equipment.)

In the absence of reliable quotations regarding machinery and the uncertainty about deliveries, no exact estimate showing the present-day block cost of the Indian cotton mill industry can be given, but it is felt that the declaration made by mills under the War Risks (Factories) Insurance may be accepted as a guide.

Out of the total block cost, about 75 per cent. will represent the cost of machinery and equipment, about 20 per cent., buildings, and the remaining 5 per cent., land.

Plant and equipment are mainly imported except minor fittings which are made locally.

Buildings can ordinarily be constructed from materials available in the country.

**Question A-7.**—(i) Is the industry largely localised in one or more regions of the country and, if so, are there any special reasons for this localisation?



(ii) Are there any particular regions in the country where the industry could be suitably localised, taking into account all relevant considerations such as easy accessibility to raw materials, proximity of markets, etc. ?

*Answer.*—Statement No. 5 \* gives details of the concentrations of the cotton textile industry in the various centres in India.

As Government are aware, Bombay City is the home of the cotton textile industry, and cotton mills came to be established in Bombay from the point of view of the port, railway, and other facilities available in the city. Recently, however, the industry has localised in other centres, and the reasons for this are :

- (a) Cheap labour costs as compared with Bombay.
- (b) Proximity to cotton growing centres and consuming markets, and lower transport costs.
- (c) Advantages as regards local and municipal taxation.

It must be pointed out that the expansion of the cotton textile industry in the Indian States has been, in a very large measure, due to the encouragement and facilities given by the States.

*Question A-8 : (i).*—What is the kind of power used by the industry and what has been the average annual consumption of power before and during the war ?

*Answer.*—The cotton textile industry in Bombay mostly depends on electric power supply by the hydro-electric companies. There are, however, mills using fuel oil and coal, but exact information regarding the total quantity of electric power or fuel oil used by mills from year to year may be obtained from the Power Companies and/or Oil Companies direct.

The Association has, however, no detailed information regarding the position in up-country centres.

*Question A-8 : (ii).*—Are the power and fuel resources adequate, or will they need extension if production is to be expanded ?

*Answer.*—It is felt that, in ordinary times, the Hydro-Electric Companies in Bombay would be able to supply the entire requirements of the industry. No difficulty is also anticipated in connection with the supplies of fuel oil and coal. It must, however, be pointed out that the supply position in up-country centres in the matter of fuel oil and coal is, to a very large extent, dictated by transport facilities, and in the absence of such facilities, difficulty may be experienced in those centres.

*Question A-9 : (i).*—What is the amount of capital employed in the industry ?

*Answer.*—In addition to the capital invested in land, buildings and equipment, mills have to finance purchases of large quantities of cotton, and other millstores. It is thought that, in an average mill, working single shift, the amount required for such financing would be, in ordinary times, roughly equivalent to a quarter of the block value. In other words, in the case of the industry as a whole, with a block cost of Rs. 100 crores, the working capital would amount to approximately Rs. 25 crores.

This is the figure for normal times, and for single-shift working only.

*Question A-9 : (ii).*—What were the profits assessed for income-tax made by the industry (1) in pre-war years and (2) in war years ?

*Answer.*—This is a question which must be answered by the Income-tax Department.

*Question A-9 : (iii).*—What was the amount of profits distributed by the industry in the same periods ? and

(iv) What was the amount of reserves held in the same periods ?

*Answer.*—No figures are available for the industry as a whole.

*Question B-10.—Liquidation of War Liabilities.*—Rough estimate of personnel likely to become surplus to production requirements on cessation of war orders :

(a) Supervisory technicians .. .. .	out of total of .. .. .
(b) Skilled labour .. .. .	out of total of .. .. .
(c) Semi-skilled labour .. .. .	out of total of .. .. .
(d) Unskilled labour .. .. .	out of total of .. .. .

*Answer.*—It is difficult to answer this question without a lead as to what is meant by "skilled labour" and "unskilled labour."

*Question B-11.—Raw materials held for fabrication of war orders.*

(a) Normal stocks.

(b) Surplus likely to be unusable by the industry otherwise than in war orders, at the end of the war.

*Question B-12.—Plant and machinery held for fabrication of war orders.*

How much installed or likely to be installed by the end of the war will be surplus to normal peace requirements ? and

*Question B-13.—Output.* What proportion of output now contracted for by Supply Department would be suitable for civil markets ?

*Answer.*—These questions are apparently intended for industries specially set up to meet war-time requirements, and they are not, therefore, being answered.

*Question B-14.—What is the normal type of war contract with the industry ? (e.g., casual short-term contract, long-term contract with break-clause, rate contract entitling Government to indefinite offtake at settled prices, etc.).*

*Answer.*—A copy of the contract which is being given to the mills by the Department of Industries and Civil Supplies may kindly be obtained from the Textile Commissioner, Bombay.

*Question C-15.—Replacements.*—Can you indicate roughly

- (a) what capital assets in terms of plant, machinery and equipment require replacement after the war ;
- (b) from what source they could best be obtained in the first two years of the post-war period ; and
- (c) approximate rupee value ?

*Answer.*—The information is being collected and will be made available to the department later, but it must be pointed out that it is very difficult to give the approximate rupee value of the replacements since no rupee-quotations for post-war replacements are available at present.

*Question D-16.—Development.*—(a). Does the industry intend to revert to, or expand its pre-war line of manufacture ?

- (b) Do you wish to suggest any new line of manufacture by the industry or any allied industry for the civil market ?
- (c) What developments with new machinery, plant and equipment do you recommend ?
- (d) What would these developments mean roughly in terms of
- (i) indigenously manufactured machinery, plant, equipment, materials and rupee value ?
  - (ii) imported machinery, plant, equipment, materials and rupee value ?
- (e) What is the best or most likely source of imported plant, etc., for the development suggested ?
- (f) What technical personnel
- (i) could be obtained in India ?
  - (ii) would be required from abroad ?

*Answer.*—In an earlier paragraph, my Committee had suggested the appointment of a Committee with one or two experts to go into these matters in detail after discussion with representatives of the industry, and it is thought that this Committee should go into these matters at length in consultation with representatives of the industry. My Committee would, however, draw your attention to the statement made by Chairman (extracts enclosed\* Enclosure No. 6) on the subject of post-war reconstruction.

## APPENDIX 22.

### THE INDUSTRIAL HEALTH ADVISORY COMMITTEE.

*Copy of letter No. 12-7/IH, dated 22nd February 1944, from the Secretary, Health Survey and Development Committee, Secretariat (North Block), New Delhi, to the Association.*

The Government of India appointed, a few months ago, a Health Survey and Development Committee for investigating the existing health problems in the country and for formulating plans for future development. This Committee divided itself into five Advisory Committees for dealing with different aspects of the health problem. One of these is the Industrial Health Advisory Committee. I send herewith a copy of the questionnaire prepared by that Advisory Committee together with a statement on the existing distribution of legislative and administrative functions between the Central and Provincial Governments in matters relating to industrial health. I shall be grateful if you can kindly give answers in as complete a form as possible to as many questions as you are interested in. A reply by about the middle of March will be greatly appreciated.

#### QUESTIONNAIRE NO. I.

It is likely that the Governments, local bodies, institutions, and individuals to whom this questionnaire is sent are not interested in all the subjects on which information has been asked for. It is requested that information be kindly given in as complete a form as possible, on such subjects as come within the purview of each individual, institution or public body receiving a copy of this questionnaire.

#### I. Administration, Central and Provincial.

- (1) Has the existing distribution of legislative and administrative functions between the Centre and the Provinces worked satisfactorily in the field of industrial health ? If not, what are the defects and how should they be remedied ?
- (2) Should any of the subjects be made solely Central for the purpose of (a) legislation and administration, and (b) legislation only ?
- (3) Should any of the subjects be made solely Provincial for the purpose of (a) legislation and administration, and (b) legislation only ?
- (4) What measures do you suggest for co-ordinating the activities of Provincial Governments ?
- (5) To what extent has devolution of powers and functions relating to industrial health been made by the Provincial Government to local bodies ? What is the measure of control which the Provincial Government exercises over local bodies for co-ordinating their functions and for ensuring efficiency of administration in this field ?

A short statement on the existing distribution of legislative and administrative functions between the Centre and the Provinces is attached for ready reference.

#### II. Health Services (Curative and Preventive) provided by Government, Local Bodies, Employers and other Agencies.

Information should be given separately, as far as possible.

- (1) Has provision been made for health services (curative and preventive) to workers inside and outside the factory ?
  - (A) *Inside the Factory.*—(i) Describe briefly the organisation for these services with special reference to the following :—
    - Provision for medical examination of industrial workers—
      - (a) before employment ;
      - (b) at intervals during the period of employment ;
      - (c) for determining occupational suitability.
    - Provision for education of the workers in
      - (i) accident prevention, e.g., safety first, and
      - (ii) personal hygiene ?
    - Arrangements for (i) first-aid, (ii) subsequent treatment of accidents ?
    - Provision for the treatment of occupational diseases among the workers.
    - Provision for the treatment of non-occupational diseases among the workers.

(B) *Outside the Factory.*—(1) Has a domiciliary health service been provided for the workers ? Does such service extend to the families of workers also ?

(Note.—A domiciliary health service is one which carries out preventive and curative work in the homes of the people.)

- (2) Have these services been organised on a system of part payment by the workers or does the employer bear the whole cost ? If the former, describe the method of apportionment of the cost between the two.

III. Environmental Hygiene.

1. Sanitation.—(i) Water supply—give details of provisions for

- (a) drinking water, and
- (b) water for other purposes;

how is the purity of both these types of water ensured?

(ii) Urinals.—Give information on the following:—

	No. of urinals.	No. of latrines.
Total number of male workers	.. .. .	.. .. .
Total number of female workers	.. .. .	.. .. .

Are these urinals and latrines on the flush out system? If not, describe briefly the arrangements for cleansing them.

- (iii) Give the average space allotted for working to each worker in the factories.
- (iv) State the arrangements for:
  - (a) ventilation;
  - (b) lighting;
  - (c) maintenance of temperature and humidity—within such ranges as are conducive to a sense of comfort to the worker;
  - (d) prevention of dust;
  - (e) disposal of trade waste;
  - (f) atmospheric pollution by smoke, dust and poisonous gases; and
  - (g) prevention of noise.

APPENDIX II

IV. Nutrition.

Measures inside the Factory.—State what action is being taken to improve nutrition by

- (i) education in regard to food values;
- (ii) the provision of stores on a co-operative basis;
- (iii) the provision of canteens;
- (iv) the free supply of midday meals.

Describe the measures adopted to ensure the purity and cleanliness of food supply (e.g., freedom from contamination by flies, dust, etc.)

Measures outside the factory.—Describe the measures taken by the local health authority to improve the quality of the food supply in the factory area.

Planned Regional Zoning of Industry.

1. Is there a Town Planning Act in the Province? If so, supply a copy of the Act with its latest amendments.
2. Does the Provincial Government employ a Director of Town Planning or a corresponding officer?
3. To what areas in the province have the provisions of the Town Planning Act for the purpose of enforcing regional zoning of industry been applied?
4. How far has such zoning been carried out in practice?
5. In what urban areas do Improvement Trusts exist?
6. Send the reports of these Trusts.
7. Are there any conditions imposed in the selection of sites for industrial concerns with respect to facilities for the proper housing of workers?

Give such information as is available regarding the extent of the prevalence of drug and drink habits among industrial workers.

State the number of drug shops and drink shops in the factory area (i) five years ago and (ii) now. What is the policy of the Provincial Government in licensing these shops and in regulating the hours of sale. Give the amount of revenue realised from the auctioning of these shops (a) five years ago and (b) now.

VII. Industrial Health Research.

1. Has provision been made for industrial health research in regard to the following subjects and, if so, state the results:
  - Nutrition;
  - Occupational suitability (application of tests for determining suitability of employment for recruits and for selection of candidates for promotion);
  - problems relating to fatigue due to hours of labour and conditions of work.
2. Has any enquiry been instituted in your Province either by Government or by any other organisation into conditions of health of the industrial workers during the past ten years? If so, please send a copy of the report and submit a short note on the action taken on its recommendations.
3. State whether there is on the staff of the Provincial Director of Public Health an officer with special knowledge of problems of industrial health.

Copy of letter No. 343 dated 31st May, 1944 from the Association to the Health Survey and Development Committee, New Delhi.

I am directed to refer to your letter No. 12-7/IH dated the 22nd February 1944, forwarding a questionnaire issued by the Industrial Health Advisory Committee and to state as follows:—

The Committee of this Association have carefully examined the various questions covered by the questionnaire, but before proceeding to deal with them, they desire to invite your attention to the following general considerations:—

(1) It will no doubt be appreciated that the Association while fully alive to the necessity of improving the health of the industrial workers as well as other sections of the population, has to consider the various questions not only from the humanitarian point of view but also from the point of view of the cost involved in the various measures which might be adopted as a result of the recommendations of the Health Survey and Development Committee. I am, therefore, directed to suggest that the formulation of any plan in matters coming under the scope of the work of the Industrial Health Advisory Committee should be deferred till the extent of the social and welfare measures which might be introduced is

made known as the Industry will then be in a position to evaluate the cumulative effect of the various proposed measures and formulate their views thereon.

(2) In regard to the scope and method of work of the Industrial Health Advisory Committee, my Committee would like to point out that a Labour Investigation Committee appointed by the Government of India is collecting data covering such matters as industrial disabilities insurance, housing conditions, etc., and that a Mixed Committee consisting amongst others, of the representatives of the Industry, would be appointed to formulate measures of social reform. Apart from the fact that, in some items, the work of the two committees might overlap, the field of work of the Industrial Health Advisory Committee is, in our opinion, closely related to the measures for social security, and we feel, therefore, that there should be co-ordination between the work of the two Committees, and that, as indicated above, the recommendations of the Industrial Health Advisory Committee should be linked with the recommendations of the Mixed Committee which would be appointed to examine the question of social security measures for workers.

(3) The Committee of the Association desire, even at this stage, to stress that the responsibility for providing an adequate health service rests on the Government. It is presumed, therefore, that the health of the worker will be taken care of on the same basis as the health of any other citizen, and that any scheme for providing health service to industrial workers will be linked with the scheme for a national health service which the Health Survey and Development Committee might evolve. The provision for industrial health, in so far as it is concerned with the function of assessing health, safety and welfare in the working environment of industrial workers has been recognised by various enactments, such as, the Factories Act, Maternity Benefits Acts passed by the various Provincial Governments, the Workmen's Compensation Act, etc., and the problem in regard to this special aspect of health of the workers is mainly one of ensuring that the various legal requirements are maintained. It will be seen from the reports of the Factory Inspection Departments that the employers have, as a rule, observed the provisions and that, in many cases, by voluntary efforts a much higher standard than required under the law has been maintained. The scope for further extensions by voluntary efforts in this direction should, in their opinion, require serious consideration.

(4) My Committee also desire to invite your attention to the fact that the proper utilisation of the health services presupposes a certain standard of education which unfortunately does not exist among the mass of industrial workers. Medical facilities provided by employers are often not fully utilised, and any suggestion for medical examination either before employment or during employment will have to face serious opposition from the workers. We would, therefore, stress the necessity for educative and propaganda work before ambitious schemes of health services are put into operation.

Turning to the questionnaire, my Committee would observe that a detailed enquiry, among other things, into the provision of medical facilities by employers available to workers, provision of sanitary accommodation, working condition in cotton textile mills, facilities for rest and refreshment, etc., was made by a Committee appointed by the Government of Bombay in 1937. Information in regard to sanitation and medical aid obtaining in factories is also available from the "Annual Factory Reports" submitted by the Chief Inspector of Factories for the Province of Bombay. It is not necessary, therefore, for the Association to give detailed replies to these questions as information on these heads is already available with the Government. The following general comments are offered in regard to the questions in which the Association is interested:—

#### Question I.—Administration, Central and Provincial.

(1) Has the existing distribution of legislative and administrative functions between the Centre and the Provinces worked satisfactorily in the field of industrial health? If not, what are the defects and how should they be remedied?

(2) Should any of the subjects be made solely Central for the purpose of (a) legislation and administration and (b) legislation only?

(3) Should any of the subjects be made solely Provincial for the purpose of (a) legislation and administration, and (b) legislation only?

(4) What measures do you suggest for co-ordinating the activities of Provincial Governments?

(5) To what extent has devolution of powers and functions relating to industrial health been made by the Provincial Government to local bodies? What is the measure of control which the Provincial Government exercises over local bodies for co-ordinating their functions and for ensuring efficiency of administration in this field?

*Answer.*—Without entering into a detailed examination of the problem, my Committee would suggest as a general proposition that the Central Government should have a greater control over the legislation in respect of matters affecting industrial health and welfare and conditions of industrial workers. As is well known, some of the Provinces have taken a lead in the matter of industrial legislation with the result that the industrial units situated within these Provinces have been handicapped *vis-a-vis* units in other Provinces. My Committee are anxious that there should be uniformity in standards of labour conditions between one Province and another and would suggest that in order to achieve this, legislation on such matters should be central and that the rule-making powers of the Provincial Governments should be strictly limited to the carrying out of the provisions of the various enactments.

In regards to the machinery for co-ordinating the activities of the Provincial Governments, it is suggested that the machinery at present provided by the Standing Labour Committee might be utilised and that the various measures which the Provincial Governments might desire to introduce should be referred in the first instance to the Standing Labour Committee which should periodically review the work of the various Provincial Governments.

#### Question II.—Health Services (Curative and Preventive) Provided by Government, Local Bodies, Employers and other Agencies

Information should be given separately as far as possible.

(1) Has provision been made for health services (Curative and Preventive) to workers inside and outside the factory?

(A) *Inside the Factory.*—1. Describe briefly the organisation for these services with special reference to the following:—

Provision for medical examination of industrial workers—

(a) before employment;

(b) at intervals during the period of employment;

(c) for determining occupational suitability.

2. Provision for education of the workers in

(i) accident prevention, e.g., safety first, and

(ii) personal hygiene?

3. Arrangements for (i) first aid and (ii) subsequent treatment of accidents?

4. Provision for the treatment of occupational diseases among the workers.

5. Provision for the treatment of non-occupational diseases among the workers.

(B) *Outside the Factory.*—(1) Has a domiciliary health service been provided for the workers? Does such service extend to the families of workers also?

(Note.—A domiciliary health service is one which carries out preventive and curative work in the homes of the people.)

(2) Have these services been organised on a system of part payment by the workers or does the employer bear the whole costs? If the former, describe the method of apportionment of the cost between the two.

*Answer.*—(1) The health services provided by mills are mainly of a curative nature. For an account of the provision of medical facilities by employers in Bombay Province, reference is invited to pages 288 to 293 of the Report of the Textile Labour Inquiry Committee published by the Government of Bombay.

(A) 1 (a). A scheme for medical examination of industrial workers was under consideration of the Government of Bombay some time back, but the proposal seems to have been dropped due to financial reasons. At present, no medical examination of workers is undertaken by mills except in doubtful cases to ensure that the provisions of the Factories Act regarding employment of children are not contravened.

(b) The difficulty in instituting a scheme for medical examination is, as pointed out above, mainly due to the fact that the workers look upon such examination with suspicion, and before there is a change in this attitude, it would not be possible to introduce any scheme of medical examination.

(c) The workers are not medically examined to ascertain whether they are suitable for the particular occupations to which they are allotted.

2 (i) Safety first posters and caution boards are hung in all the departments and personal instructions are given by the supervisory staff.

(ii) No special arrangements are made for the education of workers in personal hygiene. Supervisory staff exercise some influence in the matter.

3, 4 and 5.—Most of the member mills maintain well-equipped dispensaries which are run under direct supervision of either full-time or part-time doctors with a complement of full-time or part-time compounders, dressers, etc. In a large number of mills the medical facilities given at the mill dispensaries are extended to cover the families of workers as well.

(B) (1) In the case of some of the mills, workers are attended to at their homes in the event of emergencies and to this extent, it may be said that a domiciliary service is provided for the workers.

(2) All health services rendered by the member mills to the workers are given free of cost and the whole expense is borne by the management.

#### Question III.—Environmental Hygiene.

1. Sanitation. (i) Water supply—give details of provisions for

(a) drinking water, and

(b) water for other purposes;

how is the purity of both these types of water ensured?

(ii) Urinals.—Give information on the following:—

Total number of male workers,

Total number of female workers

Are these urinals and latrines on the flush out system? If not, describe briefly the arrangements for cleansing them.

(iii) Give the average space allotted for working to each worker in the factories.

(iv) State the arrangements for

(a) ventilation;

(b) lighting;

(c) maintenance of temperature and humidity within such ranges as are conducive to a sense of comfort to the workers;

(d) prevention of dust;

(e) disposal of trade waste;

(f) atmospheric pollution by smoke, dust and poisonous gases; and

(g) prevention of noise.

*Answer.*—1. (i) As regards the supply of water for drinking and other purposes to the operatives, mills have been complying with the provisions contained in section 19 of the Indian Factories Act, 1934, and the rules made thereunder;

Section 19 of the Factories Act provides that in every factory a sufficient supply of water fit for drinking shall be provided for workers at suitable places, and that such supply shall comply with such standards as may be prescribed. It also contains a provision that in regard to a factory in which any process involving contact by the workers with injurious or obnoxious substances is carried on, a sufficient supply of water suitable for washing shall be provided for the use of workers, at suitable places and with facilities for its use, according to such standards as may be prescribed. So far as mills in Bombay Province are concerned, the Government of Bombay have framed certain rules (Rules 30 to 33 of the Bombay Factories Rules, 1935) which prescribe in detail the necessary standards.

(ii) As regards the provisions of urinals, mills have been complying with the requirements of Section 20 of the Factories Act, which provides that, for every factory sufficient latrines and urinals, according to the prescribed standards, shall be provided, for male workers and for female workers separately, of suitable patterns and at convenient places as prescribed, and shall be kept in a clean and sanitary condition during all working hours. Rules 34 to 36 of the Bombay Factories Rules 1935, contain the regulations which have been prescribed by the Government of Bombay in this matter, and these have been observed by the mills in Bombay.

(iv) (a) and (b).—Section 18 of the Factories Act provides that a factory shall be sufficiently lighted during all working hours and the Inspector of Factories is authorised, if it appears to him that any factory is not sufficiently lighted, to call upon the manager to adopt certain prescribed measures and carry them out by a specified date. Detailed regulations regarding lighting are contained in the Rules 28 and 29 of the Bombay Factories Rules, 1935.

(iv) (c).—As regards maintenance of temperature and humidity, mills have been complying with the detailed provisions contained in Rule 15, issued under sections 15 and 32 of the Factories Act.

#### Question IV.—Nutrition.

*Measures inside the factory.*—State what action is being taken to improve nutrition by

(i) education in regard to food-values;

(ii) the provision of stores on a co-operative basis;

(iii) the provision of canteens;

(iv) the free supply of midday meals.

Describe the measures adopted to ensure the purity and cleanliness of food supply (e.g. freedom from contamination by flies, dust, etc.)

*Measures outside the factory.*—Describe the measures taken by the local health authority to improve the quality of the food supply in the factory area.

*Answer : (i) Education in regard to food-values.*—No action is taken by the managements in this respect, and it will be difficult to achieve any success in this respect as selection of food is based on social and religious habits, any interference with which by the employers would be resented by the workers.

(ii) *Provision of stores on a co-operative basis.*—The Association had, since December 1939, given its active help and assistance in running mill grain and stores shops. Since the introduction of rationing, the mill grain shops have been certified as ration shops, but apart from the articles included in the ration, the Association has also made arrangements for the supply of certain commodities at cheap rates to the workers in the mills.

(iii) *Provision of Canteens.*—All the member mills have made provision for canteens.

(iv) *Free supply of midday meals.*—In certain of the member mills, midday meals are given at very cheap rates, but there are difficulties in the way of extending the facilities as it is difficult to evolve a common menu acceptable to all the sections of the workers.

The management exercises direct supervision in cases where canteens are run departmentally, but where the work is entrusted to contractors, care is taken to lay down certain standards, and the general standard of purity and cleanliness has been satisfactory.

## APPENDIX 23.

### THE PAPER CONTROL (ECONOMY) ORDER, 1944.

*Copy of letter 172-A dated 30th August, 1944, from the Association to the Paper Controller, Calcutta.*

I am directed to address you in connection with the provisions of the Paper Control (Economy) Order, 1944, in so far as they are applicable to the two following items and to request that under the provisions of section 40 (2) the two items referred to below may be exempted from the provisions of the order.

I forward herewith as enclosure marked "A" a few samples of the pay tickets used in mills. As enclosure marked "B" I am also sending you samples of coupons used in mill canteens, and it is in respect of these items that exemption is being sought from the provisions of the Economy Order.

*Pay Tickets.*—The pay ticket (*vide* sample "A") has been used by the mills in some form or other from the date of inception of the industry. It is distributed to individual workers on the pay day. Its object is to help the worker to understand how the amount he receives as his pay with his pay slip has been arrived at. The slip shows, for instance, the name of the operative, his ticket number, the number of days he worked in the mill, his wages for the number of days, dearness allowance and the deductions made from earned wages on various accounts. In the absence of detailed information regarding the deductions, dissatisfaction among workers is bound to exist as workers will not be in a position to find out, unless they made special enquiries at the mill office as to how much they had earned and what deductions had been made. The slips are distributed when the workers receive their pay, and the workers naturally compare the deductions shown in the pay slips with the total purchases made by them from mill grain shops, etc., according to the bills already issued to them.

*Canteen Coupon Books* (*vide* sample "B").—Workers who desire to utilise the benefits conferred by mill canteens, purchase on credit a certain number of coupon books at the beginning of each month. As and when they buy tea and other eatables from mill canteens, coupons to the value of these purchases are handed over at the counter, and the worker takes a further batch of coupon books on credit when he has exhausted the coupon book already purchased by him. Each book contains a certain number of coupons each valued at half an anna or one anna, and instead of handing over cash at the counter, the worker only presents coupons to the extent of his purchases. This is a facility appreciated by workers in the sense that it saves them the trouble of carrying cash with them every day to the mills. Coupon books are numbered, and when the operative purchases them from mills on credit, the numbers of books sold are recorded in the name of the operative concerned, and if the book is lost, the canteen keeper is at once warned about it and the operative gets a replacement of the lost coupons from the cashier.

Printers who were responsible for printing the pay tickets and coupon books have informed member mills that according to the control orders they have to curtail their consumption of paper to 30 per cent. of the quantity used by them in printing these materials in the completed year 1943. While the Association is perfectly willing to co-operate with Government in the matter of limiting these slips to the minimum size required, bearing in mind the object they are intended to serve, it is pointed out that so long as employment continues at present levels, pay ticket has to be distributed to every operative who is in the pay-roll and that the 30 per cent. limit asked for by Government is far beyond practical politics. The size of the coupons, however, as you will see from the enclosures, does not permit any further reduction in size.

The Association would greatly appreciate it if you would kindly go into this matter and recommend exemption in regard to the two items referred to on behalf of cotton mills in Bombay. Your early attention to this matter would be greatly appreciated.

*Copy of letter No. 172-A dated 31st August, 1944, from the Association to the Paper Controller, Calcutta.*

I am directed to address you in connection with the provisions of the Paper Control (Economy) Order, 1944.

Clause 36 of the above Order provides, *inter alia*, that no person shall use any letter paper, whether in sheets or pads, the sheets of which when unfolded are of a size greater than 63 square inches in area. It is further provided that the restriction referred to shall not apply until 1st November 1944. My Committee understand that member mills have in stock letter paper exceeding 63 square inches which they may not be able to finish off before 1st November 1944. This special size of letter paper is used only on rare occasions when its use is justified by the volume of written matter to be put in. While my Committee would like to co-operate with Government in the matter of complying with the requirements of the Control Order, they would like to point out that no real saving could be effected in cutting up this odd size letter paper after 1st November 1944 since, instead of using one sheet of paper more than 63 square inches in area, probably two sheets of paper would have to be used. My Committee, however, agree that no fresh stock of letter paper exceeding 63 square inches should be printed, but they would be grateful if mills could be permitted generally to use up their present stocks wherever such stocks are held regardless of any time limit.

Your attention is invited to the definition of the expression "print or make" contained in sub-clause (A) of Clause 2 of the Order. My Committee infer from this definition that stencilling and duplicating on the Gestetner machine will amount to printing, and if this is correct, Chapter IV of the Order relating to printing presses will also apply to mills which have installed duplicating machines *only for their domestic requirements*. I will give for your information a few examples of the work done on these machines by the mills:

- (a) Preparation of blank bill forms.
- (b) Preparation of blank statistical forms to be used by the mills.

\*Not printed.



- (c) Preparation of blank receipt forms.
- (d) Preparation of circular letters to merchants regarding confirmation of orders, acknowledgments of letters, etc.
- (e) Preparation of Texmark labels required by law.

It could not have been the intention of Government that mill offices utilising these Gestetner duplicating machines for their own domestic requirements should be regarded as printing presses for the purpose of the Control Order. Mills retain duplicating machines as a matter of convenience inasmuch as they can prepare on these machines most of the blank forms utilised by them for their inter-departmental business purposes at a cost which is below the cost of printing them. If, however, you feel that mills, by virtue of the fact that they possess duplicating machines, should be regarded as printing presses under the provisions of the Control Order, then I am to request that, under the provisions of clause 42 mills be exempted from the provisions of Chapter IV in so far as these machines are concerned.

*Copy of letter No. 172-A, dated 24th October, 1944, from the Association to the Secretary to the Government of India, Department of Industries and Civil Supplies, New Delhi.*

PAPER CONTROL (ECONOMY) ORDER, 1944.

I have the honour to draw your attention to my letter No. 172-A dated the 21st July\* 1944 on the above subject. It was indicated in the penultimate paragraph of the above communication that a Special Sub-Committee of the Association was examining the provisions of the Paper Control (Economy) Order, particularly with reference to the various purposes for which paper is used in mills. This Sub-Committee have now finished their work and I enclose herewith, for ready reference, a copy of their report.

2. I am directed to draw your particular attention to the conclusions of the Sub-Committee, referred to in paragraphs 13 and 16 of their report regarding the extent to which the consumption of paper could possibly be reduced in mills in printing various forms, etc. The Committee of the Association are in entire agreement with the recommendations of the Sub-Committee.

3. I also enclose herewith for ready reference copy of a communication which has since been addressed to all members of the Association from which it will be noted that members have been strongly recommended to depute a responsible officer to analyse all returns, forms, etc., used in their respective firms and factories with a view to effecting as large a cut as possible in the quantity of paper consumed. It will also be noticed that the various methods by which economies could be effected have also been dealt with in brief, and my Committee believe that, though individual mills have already made considerable progress under oral instructions from the Association in the matter of economising paper, a serious effort will, as a result of the Committee's recommendations, be made to bring down the consumption of paper.

4. The Committee of the Association earnestly request that Government may be pleased to permit cotton mills to work within the limits indicated by the Sub-Committee in paragraphs 13 and 16 of their report. The Committee are convinced that it will be impossible for the industry to achieve the extent of cut visualised in the Paper Control Orders. The work in cotton mills, the volume of business transacted therein and the nature of the liaison which has to be maintained between the mills and the Agents' offices, etc., all continue to be the same as, if not more than, before, and in this view of the case, reduction in consumption beyond the limits indicated by the Sub-Committee in their report would gravely interfere with the internal organisation and working of the mills, a state of affairs which, my Committee are sure, Government do not desire to bring about.

REPORT OF THE PAPER CONTROL SUB-COMMITTEE.

The Paper Control (Economy) Order, 1944, was promulgated in the middle of June 1944, and immediately thereafter, the Association began to receive representations from individual mills drawing attention to certain clauses of the Order which required clarification or relaxation in view of the special conditions obtaining in the cotton textile industry. For instance, pointed attention was drawn to clause 28 which stated that "no person who manufactures any exercise books, account books, articles of stationery or other articles from paper, shall consume or otherwise dispose of during any quarter commencing from 1st July 1944 a quantity of paper other than newsprint exceeding one-fourth of 30 per cent. of such paper consumed by him during the year 1943." It was pointed out that in accordance with the provisions of this clause, printers were refusing to execute orders from individual mills for the printing and supplying of various forms, etc., used in mills, in quantities exceeding 30 per cent. of their normal consumption.

2. Another clause to which the Association's attention was drawn was clause 36, which laid down that no person shall use any letter-paper whether in sheets or pads, the sheets of which when unfolded are of a size greater than 63 square inches in area, after 1st November 1944. The position here appeared to be that certain mills had very considerable stocks of letter-paper which were more than 63 square inches in area. This paper was used only on very rare occasions, and it followed, therefore, that the present stocks would not be finished before 1st November 1944. In this view of the case, it was urged that permission should be obtained from Government to enable mills to use up their present stocks.

3. The third clause to which attention was drawn was in respect of sub-clause (h) of clause 2 of the Order which seemed to bring cotton mills possessing duplicating machines for inter-departmental purposes, within the scope of the sections relating to printing presses. A clarification was desired whether this was the position, and if Government's reply was in the affirmative, the Association was asked to point out that these duplicating machines existed only for the production of forms, etc., for purely inter-departmental purposes connected with regular business of the mill companies and had nothing to do with printing and publishing for outside parties.

4. The representations from individual mills were considered at a meeting of the Committee held on 17th July 1944, and we were appointed to go into these matters, and suggest appropriate action which might be taken in each case, and, if necessary, also to initiate action wherever such action, in our opinion, had to be taken immediately. We were also asked to take into consideration the effect of the control orders on the Association's publications and authorised to take appropriate measures to economise the use of paper wherever possible, and to apply for the requisite exemption from Government in special cases.

5. Mr. A. L. Hutson who was originally appointed a member of the Sub-Committee was only present at the first meeting, and was later on unable to participate in the discussions on account of illness.

6. Taking the Association's publications first, we instructed the Secretary to make a representation forthwith to Government requesting complete exemption from the provisions of the Orders in regard to all publications issued by the Association, and also to submit proposals to us regarding the extent of the economies which could be effected in individual returns by reducing their size, etc., etc., and as a result, out of 10 items of publications issuing from the Association, drastic reductions have already been made in 4 items, bringing them well within the limit allowed by the Control Orders. As regards others, the application made by the Association for their complete exemption is still under consideration by Government.

7. Turning now to the consumption of paper and/or paper stationery in individual mills and mill companies including managing agents' offices, we considered it desirable to consult informally some of the managers with a view to ascertain whether and, if so, to what extent economies could be effected in the use of paper in mills. It was clear to us from the very beginning that there were items of stationery, forms, etc., which offered very little scope for economy. In this

\* Not printed.



classification, we included the monthly wage tickets and the canteen coupons. These two items are at present being printed with the minimum amount of details necessary and occupying the least possible space, and any further attempt at reduction in these two items would cause great confusion and difficulty in making satisfactory alternative arrangements. We, therefore, authorised the Secretary to apply to Government for wholesale exemption from the provisions of the Control Orders of these two items.

8. We also authorised separate representations being sent up suggesting that mills be allowed to use up their existing stocks of letter-papers even though they may be more than 63 square inches in area and asking for a clarification in regard to the provisions relating to printing presses, particularly with reference to the position of mills and head offices using duplicating machines for various purposes.

9. After discussion among ourselves and consultation with our managers, we divided the various returns, forms, etc. used in mills, under the following three broad heads:—

- (a) Returns, forms, etc. used by the mills, in the mills for inter-departmental transactions, for recording efficiency, production, etc. etc., this classification including:
  - Production books, efficiency returns and forms;
  - Stock books and returns;
  - Wage musters;
  - Suspension, fine and dismissal forms;
  - Service Records;
  - All Production tickets (e.g., frame tickets, doff tickets, etc.);
  - Account books;
  - Stores indents;
  - Stores ledgers;
  - Gate passes;
  - Inward and outward returns;
  - All forms, books and returns required in connection with the Cloth Control Orders, the Food Control Orders;
  - The forms, returns, books, etc. used by the mill grain shops, mill cloth shops, mill hospitals and dispensaries and mill creche; and Texmark labels.
- (b) Returns, etc. sent by the mills to the head office and/or to various officials under the Control Orders. In this classification would be included, for example, the following:
  - Stock records;
  - Delivery forms; and Receipt Forms.
- (c) Returns, etc. issued by the head office in compliance with the provisions of the Indian Companies Act, etc. In this classification would be included, for example, the following:
  - Balance sheets;
  - Dividend forms;
  - Directors' minute books; and
  - All accounting books.

10. We had a very long discussion with the managers with a view to ascertain which of the above items are essential and should be retained in their present form and dimensions, which of them could be entirely dispensed with, and which of them could be reduced in size, print, area, number of copies, etc., to the 30 per cent. limit laid down in the Control Order.

11. The managers expressed the view that all the entries recorded in items (a) and (b) are of an essential character and should continue to be used. They, however, readily recognised the need for economy in the use of paper, and strongly urged that individual mill management should make an exhaustive examination of all forms, etc., referred to in items (a) and (b) with a view to reduce the consumption of paper by adopting one or more of the following methods:—

- (i) Reducing the size of paper used and eliminating unnecessary columns and lines.
- (ii) Reducing the size of types, line spacing, etc.
- (iii) Amalgamating two or more returns into one, thus saving the aggregate quantity of paper used.

12. The managers pointed out that differences in the system of accounting and internal audit arrangements from mill to mill, differences in working, location of the agents' office *vis-a-vis* the mills, and several other like matters would ordinarily dictate the number and size of the various returns prepared by the mills for inter-departmental purposes and for transmission to the head office, and that, in this case, it was very difficult to evolve a standard practice and a set of forms to suit the needs of all mills. They, however, expressed the view that duplication of returns and forms wherever they existed should be avoided if it could be achieved without detriment to efficient management. In this connection, pointed attention was drawn to the daily efficiency and production and stock returns sent by the mills to the managing agents' office, and it was thought that a simplification of these forms with the inclusion of only the most essential data might help the mills in saving a considerable amount of paper.

13. We then discussed with the managers the question of the extent of the reduction which could possibly be achieved in headings (a) and (b), and the view was expressed that, even if an earnest attempt were made to tackle this problem, it was impossible, in view of the nature and extent of the work involved in mills, the desirability of preventing leakage of materials, the maintenance of a high degree of efficiency and a satisfactory system of liaison between the mill and the head office, to reduce consumption by more than 40 per cent. as against the 70 per cent. required under the Order.

14. We are in complete agreement with the point of view expressed by the managers, and, so far as items (a) and (b) are concerned, we recommend:—

- (1) A representation be submitted to Government in respect of items listed under headings (a) and (b) pointing out that, though individual mill managements would endeavour to effect all possible economies, it would not be possible to effect more than 40 per cent. reduction in the consumption of paper.
- (2) A strong recommendation be issued from the Association inviting mill managements to make an earnest effort to co-operate with Government in giving effect to the Control Orders by reducing the quantity of paper used in printing their various forms, returns, etc. It is needless for us to emphasise here that, unless the forms at present used in the mills are scrutinised by a senior officer of the mill or a member of the managing agents' firm, no tangible results are likely to accrue.

15. In this connection, we desire to point out that mills are at present utilising a very considerable quantity of paper in sending periodical returns to the Textile Commissioner and to the rationing authorities of the Government of Bombay. A suggestion has already been put forward to these two authorities to provide mills with the requisite blank forms so that the mills' quota of paper may not be utilised in sending returns to Government, and we have reasons to believe that the Association's suggestions are being favourably considered.

16. Turning to the entries under heading (c), we feel that here again a certain amount of reduction would be possible by a personal examination of every return by a responsible official of the individual mill, but we are constrained to point out that the extent of the reduction will not be, by any means, as great as we have indicated in items (a) and (b) as, in several cases, there is very little room for any reduction at all, and we, therefore, suggest that Government be asked to sanction a lower reduction, say, 20 per cent., from the pre-control consumption.

17. There is, however, one point which we want to emphasise in connection with mill balance sheets, and that is that in certain cases, which are by no means considerable, some saving could be effected by the following methods:—

- (i) Reducing the size of paper on which the balance sheet is printed.
- (ii) Deleting the previous year's figures wherever they are given.
- (iii) Deleting the Gujarathi and Hindi versions of the Directors' report and accounts and publishing the accounts only in English.
- (iv) Dispensing with the use of any special cover for the balance sheet or profit and loss account.
- (v) Reducing type wherever possible.

18. The extent of the economy which could be effected in the use of paper is a matter of no urgent consequence to those mills holding large stocks of forms, books, etc., etc., but in the case of other mills, the situation requires very earnest consideration and calls for a serious effort to reduce the offtake of paper, for, unless Government are convinced of our *bona fides*, it is not very likely that any consideration will be given to our representations.

19. We add to this report copies of the representations so far put in by us, for the information of the Committee.

*Copy of letter No. 172-A., dated 24th October, 1944, from the Association to the Paper Controller, Calcutta.*

Further to my letter No. 172-A, dated the 30th August 1944, I enclose herewith for your information copy of a letter I have to-day addressed to the Secretary to the Government of India, Department of Industries and Civil Supplies, New Delhi, together with the enclosures.

*Copy of Circular No. 172-A, dated 24th October, 1944, to all Members of the Association.*

I beg to refer to the Paper Control (Economy) Order, 1944, a copy of which was sent to you with my letter No. 172-A, dated the 21st July 1944.

2. The provisions of the Control Order were carefully considered by a Special Sub-Committee of the Association with a view to ascertain the extent to which mills would be in a position to comply with the Order. The Sub-Committee also explored the possibilities of economising the use of paper in mills and in agents' offices, and submitted various proposals in connection therewith. The Sub-Committee also approached Government:

- (A) for complete exemption from the provisions of the Order in respect of pay tickets and canteen coupon books used in mills;
- (B) for permission to permit mills to use up their existing stocks of letter-paper, whether in sheets or pads, the sheets of which when unfolded were of a size greater than 63 square inches in area; and
- (C) for exemption from the provisions of Chapter IV, so far as duplicating machines in mill offices were concerned, if, in Government's view, mills were to be regarded as printing presses under sub-clause (h) of clause 2 of the Order.

3. The Sub-Committee classified the printed matter, forms, etc., used by mills into the following broad categories:—

- (a) Returns, forms, etc., used by the mills in the mills for inter-departmental transactions, for recording efficiency, production, etc., etc., this classification including:
  - Production books, efficiency returns and forms;
  - Stock books and returns;
  - Wage musters;
  - Suspension, fine and dismissal forms;
  - Service records;
  - All production tickets (e.g., frame tickets, doff tickets, etc.);
  - Account books;
  - Stores indents;
  - Stores ledgers;
  - Gate passes;
  - Inward and outward returns;
  - All forms, books and returns required in connection with the Cloth Control Orders, and the Food Control Orders;
  - The forms, returns books, etc., used by the mill grain shops, mill cloth shops, mill hospitals and dispensaries, and mill creche; and Texmark labels.
- (b) Returns, etc., sent by the mills to the head office, and/or to various officials under the Control Orders. In this classification would be included, for example, the following:—
  - Stock records;
  - Delivery forms; and
  - Receipt forms.
- (c) Returns, etc. issued by the head office in compliance with the provisions of the Indian Companies Act, etc. In this classification would be included, for example, the following:—
  - Balance sheets;
  - Dividend forms;
  - Directors' minute books; and
  - All accounting books.

4. As regards items covered by (a) and (b), the Sub-Committee stressed that all the forms included thereunder were of an essential character and expressed the view that they cannot be dispensed with. They, however, felt that there was room for economy if one or more of the following methods were adopted:—

- (1) Reducing the size of paper used and eliminating unnecessary columns and lines;
- (2) Reducing the size of types, line spacing, etc.; and
- (3) Amalgamating two or more returns into one, thus saving the aggregate quantity of paper used.

5. The Sub-Committee carefully went into the question of standardising forms, etc., used in mills, but in view of the difficulties inherent in evolving a standard practice and set of forms to suit the needs of all mills, the attempt was given up. The Sub-Committee, however, strongly recommended that duplication of returns and forms, wherever they exist, should be avoided if it could be managed without detriment to efficient management, and they suggested that individual mill managements should examine the daily efficiency, production and stock returns sent by the mills to their respective agents' offices, and earnestly explore the possibility of saving paper by simplifying these forms as far as possible.

6. The Sub-Committee also pointed out that, even if the recommendations referred to in paragraphs 4 and 5 were carried out, mills might not be able to reduce the total consumption of paper by more than 40 per cent., and it was, therefore, recommended that a representation should be addressed by the Association to Government requesting that mills be permitted to work up to this figure. In this connection, I would add, for your information, that the Control Orders seek to effect a cut of 70 per cent. in paper consumption.

7. As regards items covered by (c) (*vide* paragraph 3), the Sub-Committee felt that saving could be effected in respect of paper used in balance sheets by adopting the following methods:—

- (i) Reducing the size of paper on which the balance sheet is printed;
- (ii) Deleting the previous year's figures wherever they are given;
- (iii) Deleting the Gujarathi and Hindi versions of the Directors' report and accounts and publishing the accounts only in English;
- (iv) Dispensing with the use of any special cover for the balance sheet or profit and loss account; and
- (v) Reducing type wherever possible.

As regards the other items included in (c) under paragraph 3, the Sub-Committee's recommendation was that, here again, there was scope for reduction if a senior officer of the mill would carefully analyse each item and reduce the size of paper, etc., by omitting all unnecessary details. The Sub-Committee expressed the view, after examining the documents referred to in paragraph 3 (c) relating to a number of mills, that mills may not be able to reduce consumption of paper in this group by more than 20 per cent.

8. The Committee of the Association acknowledge with gratitude the very thorough and efficient manner in which the Sub-Committee have tackled this problem. They entirely agree with all the recommendations of the Sub-Committee, and action has already been taken in the matter of sending representations to Government on the lines of the Sub-Committee's report.

9. It now remains for individual mills to implement the recommendations of the Sub-Committee by deputing a special and experienced officer to make a thorough examination of all the forms, returns, etc., used in various departments of the mills and the agents' offices with a view to secure all possible reductions in the total consumption of paper. It is the Committee's earnest desire that this matter should no longer be delayed. The need for economising paper is as great as it is urgent, and it is hoped that individual mills would give this matter their closest attention.

10. The Association may be informed in due course as to what action has been taken by individual mills in this connection.

*Copy of letter No. 36 (12) Eco. I/44, dated the 24/25th October 1944, from the Deputy Paper Controller, India, to the Association.*

With reference to your letters, No. 172a—dated 31st August 1944 and 30th September 1944,\* I have to state that it has been seen that the over-sized letterhead could conveniently be cut into halves so that the bottom portion can be used as continuation sheet, your members are advised to adopt the same procedure. In case however, it is not possible this office will grant permission to use up the stock of over-sized letterheads printed prior to the 12th June 1944, on individual application. In the application the present stock in hand as also an approximate date by which the stock is to be exhausted should be mentioned.

Provisions of clauses 14 to 17 of the Paper Control (Economy) Order, will not apply to the duplicating machines provided these machines are used to print such papers only as the members are allowed to use themselves and no outside printing work is done.

*Copy of Circular, No. 172-A, dated 30th October 1944, to all members of the Association.*

*Subject:—PAPER CONTROL (ECONOMY) ORDER, 1944.*

Further to my letter No. 172-A dated 24th October 1944 on the above subject, I enclose herewith for your information copy of my letter No. 172-A dated the 31st August 1944 addressed to the Paper Controller and a copy of his reply thereto dated 24th/25th October 1944.

As regards the oversized letterheads, the attention of mills is drawn to the first para of the letter No. 36 (12) Eco. I/44 dated the 24th/25th October 1944 from the Paper Controller, for suitable action.

*Copy of Circular, No. 172-A, dated 6th November 1944, to all members of the Association.*

Further to my circular No. 172-A, dated the 30th October 1944, I have to inform you that in response to an enquiry addressed by a member mill of the Association, the Assistant Paper Controller has stated that there will be no objection to the printing of texmark labels allowed under clause 34 (1) of the Paper Control (Economy) Order, 1944, and that the quantity of paper used for the purpose may exceed the 30 per cent. limit indicated in the Order.

No reply has yet been received to the Association's representation on the subject.

*Copy of letter No. 172-A dated 29th December, 1944, from the Association to the Paper Controller, Calcutta.*

I beg to confirm having wired you to-day as under:—

"Reference my letter August thirtieth and telegram dated October tenth regarding pay tickets and canteen coupon books. Matter pending considerable time. Immediate reply requested."

*Copy of letter No. 322-PB (97)/44, dated the 31st January, 1945, from the Paper Officer, to the Association.*

With reference to the correspondence resting with your telegram dated the 29th December 1944, I am directed to state as follows:—

I. *Paras 13 and 16 of the Sub-Committee's report forwarded with your letter No. 172-A of 1944, dated 24th October 1944.*—The Government of India have since relaxed the provisions of the Paper Control (Economy) Order in favour of incorporated companies. They have also since announced their decision to increase generally the permissible consumption of paper under that Order by 10 per cent. and to extend this increase to all individual concessions granted under the Order subject to a resultant maximum permissible consumption of 70 per cent. of basic consumption. As a result of these concessions all incorporated mill companies can now consume paper to the extent of 60 per cent. of their 1943 consumption. It is expected that this will meet the requirements of member mills of your Association and that they should be able to suitably adjust their consumption within the extended limit now permitted. In view of the unsatisfactory supply position of paper, which still continues, it is regretted that permission to consume paper up to the extent asked for in para 16 of the Sub-Committee's report in certain respects cannot be granted. But so long as the overall consumption of a mill in a year does not exceed 60 per cent. of its basic consumption, there is no objection to the consumption under the heading referred to in para 16 of the Sub-Committee's report being more than 60 per cent. of its 1943 consumption.

II. *Letter Paper.*—The Government of India are pleased to permit member mills of your Association to use letter-paper already in stock with them which exceeds 63 square inches in area subject to the condition that it is used only when absolutely necessary. The period upto which such stock used in this manner is expected to last should be communicated to the Paper Controller of the Province in which the mill is situated.

III. *Duplicating machines.*—No special exemption in this respect is considered necessary, since the mills who own duplicating machines do not execute any work other than their own on such machines. So long as the mills concerned do not use more than 60 per cent. of their consumption in 1943, as indicated above, there is no objection to any part of this consumption being used on the duplicating machine. The paper used on such machine cannot however, be excluded from their permissible consumption.

IV. *Consumption of paper for Pay Tickets and Canteen Coupon Books.*—This matter is under consideration and a separate communication in this regard will follow very shortly.

## APPENDIX 24.

## TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT.

Reprint of the First and Second Schedules appended to the Indian Tariff Act, XXXII of 1934 (as in operation on 1st January, 1945), showing the rates of Customs duties, including the additional duties levied under the Indian Finance Act, 1944, and the Cotton Textiles, Fund Ordinance 1944, (Central Ordinance No. XXXIV of 1944), levied on goods imported into, and exported from, British India, together with (1) the tariff values fixed for certain articles under Government of India, Commerce Department, Notification No. 73-T.(7)/44, dated the 16th December, 1944, for the purpose of assessment of Customs duties with effect from the 1st January 1945, (2) the rates of duty leviable on articles the produce or manufacture of Burma under the Government of India, Finance Department (Central Revenues), Notification No. 39-Customs, dated the 7th June, 1941, as subsequently amended, (3) the rates of Excise duties leviable on articles produced or manufactured in British India, and (4) the rates of Cesses leviable on certain articles on export or otherwise and the Tariff values fixed for certain articles under the Government of India, Department of Education, Health and Lands, Notification No. Dy. 1491-A/44-D, dated the 5th June, 1944, for the purpose of assessment of the Agricultural Produce Cess with effect from the 1st July, 1944.

*Note 1.*—In the expression “*ad valorem*” used in these Schedules the reference is to “real value” as defined in section 30 of the Sea Customs Act, 1878 (VIII of 1878), unless an article has a tariff value assigned to it.

*Note 2.*—The tariff value specified in the second column of the First Schedule shall, unless otherwise expressly provided, apply whether the article is assessed to duty under the item specified in the corresponding entry in the first column or under any other item.

*Note 3.*—The description of tariff-valued articles in the second column follows the ordinary trade description and covers all reduced grades and mixtures unless they are specially provided for.

*Note 4.*—In this publication, the expression “standard rate of duty” means, in the case of articles liable to preferential rates of duty, the standard rate of duty as opposed to the preferential rate, and in the case of other articles, the ordinary rate of duty.

*Note 5.*—Postal parcels, packets and letters on whose contents the total duty payable is not more than 12 annas, are exempt from payment of import duty.

*Note 6.*—The expression “Far East” covers China, including Hongkong and Macao, Japan and the Japanese Empire, the Straits Settlements, Malaya, Thailand, French Indo-China, the Netherlands East Indies, Sarawak, British North Borneo, the Philippines, Burma and Ceylon.

## THE FIRST SCHEDULE.—IMPORT TARIFF.

Item No.	Name of article.	Nature of duty.	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION I.</b>							
<b>LIVE ANIMALS AND PRODUCTS OF THE ANIMAL KINGDOM.</b>							
1	ANIMALS, living, all sorts		Free				
2	BACON AND HAM, not canned or bottled	Revenue	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	
3	FISH, not otherwise specified	Revenue	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	
3(1)	FISH, salted, wet	Revenue	Such rate or rates of duty not exceeding one rupee per Indian maund of 82-2/7 lbs. avoirdupois weight as the Central Government may, by notification in the <i>Official Gazette</i> from time to time prescribe,* plus 6½ per cent. <i>ad valorem</i> plus one-fifth of the total duty.			Free	
	<i>Tariff values—</i>	Per Indian maund.					
		Ra. a. p.					
	(i) Soormal	5 12 0					
	(ii) Bangdas	3 10 0					
	(iii) All other sorts	6 8 0					
3(2)	FISH, salted, dry	Revenue	18 per cent. <i>ad valorem</i> .			Free	
3(3)	FISH, unsalted, dry	Preferential revenue.	36 per cent. <i>ad valorem</i> .		24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	
	<i>Tariff value—</i>	Per cwt.					
		Ra. a. p.					
	Bomlas	4 8 0					

\* The rate on the 1st January, 1945; and until further notice is annas 9½ per maund of 82-2/7 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.	Burma.	
<b>SECTION I—<i>concl.</i></b>							
<b>LIVE ANIMALS AND PRODUCTS OF THE ANIMAL KINGDOM—<i>concl.</i></b>							
3(4)	FISHMAWS, including singly and sozile and sharkfins.	Revenue	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	....
	<i>Tariff values—</i>						
	Sharkfins, loose or in bundles from Arabian and Persian Gulf Ports.						
		Per cwt. Rs. a. p.					
		3 0 0					
4	BUTTER, CHEESE AND GHEE .. .. .	Revenue	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	....
	<i>Tariff values—</i>						
	Butter .. .. .	Per lb. Rs. a. p.					
		1 12 0					
	Ghee .. .. .	Per cwt. Rs. a. p.					
		140 0 0					
4(1)	MILK,* condensed or preserved, including milk cream.	Revenue	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	....
5	CORAL, unprepared .. .. .	Revenue	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	....
5(1)	COWRIES AND SHELLS .. .. .	Revenue	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	....
	<i>Tariff values—</i>						
		Per thousand. Rs. a. p.					
	Chanks—						
	Sound, live .. .. .	88 0 0					
	Sound, dead .. .. .	55 8 0					
	Other sorts .. .. .	13 0 0					
		Per cwt.					
	Cowries, bazar, common .. .. .	8 8 0					
	Cowries, yellow, superior quality.	12 0 0					
	Cowries, mottled, commonly known as Zillah, Tiger and similar other qualities.	9 4 0					
	Cowries, Maldives .. .. .	16 0 0					
	Cowries, Sankhi .. .. .	140 0 0					
	Mother-of-pearl, nacre .. .. .	28 0 0					
	Nakha .. .. .	214 0 0					
		Per lb.					
	Tortoise-shell .. .. .	11 4 0					
	Tortoise-shell, nakh .. .. .	1 14 0					
5(2)	IVORY, unmanufactured.. .. .	Preferential revenue.	36 per cent. <i>ad valorem</i> .		24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....
	<i>Tariff values—</i>						
		Per cwt. Rs. a. p.					
	Elephants' grinders .. .. .	350 0 0					
	Elephants' tusks (other than hollows, centres, and points), each exceeding 20 lbs. in weight, and hollows, centres, and points each weighing 10 lbs. and over.	650 0 0					
	Elephants' tusks (other than hollows, centres, and points), not less than 10 lbs. and not exceeding 20 lbs. each, and hollows, centres, and points each weighing less than 10 lbs.	600 0 0					
	Elephants' tusks each less than 10 lbs. (other than hollows, centres, and points).	250 0 0					
	Sea-cow or moye teeth, each not less than 4 lbs.	300 0 0					
	Sea-cow or moye teeth, each not less than 3 lbs. and under 4 lbs.	240 0 0					
	Sea-cow or moye teeth, each less than 3 lbs.	140 0 0					
<b>SECTION II.</b>							
<b>PRODUCTS OF THE VEGETABLE KINGDOM.</b>							
6	PLANTS, LIVING, not otherwise specified .. .. .	....	Free .. .. .				....
6(1)	RUBBER STUMPS .. .. .	....	Free .. .. .				....
7	VEGETABLES, all sorts, fresh, dried, salted or preserved, not otherwise specified.	Preferential revenue.	36 per cent. <i>ad valorem</i> .		24 per cent. <i>ad valorem</i> .	Potatoes and Onions— 5 per cent. <i>ad valorem</i> ; all others 12 per cent. <i>ad valorem</i> .	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently dried skim milk, that is to say, dried milk powder containing not more than 4 per cent. of fat and no added ingredients, is exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION II—<i>contd.</i></b>							
<b>PRODUCTS OF THE VEGETABLE KINGDOM—<i>contd.</i></b>							
8	Fruits, all sorts, fresh, dried, salted or preserved, not otherwise specified.*	Preferential revenue.	36 per cent. <i>ad valorem</i> .	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....
	<i>Tariff values—</i>						
	Almonds—	Per cwt. Ra. a. p.					
	(i) Without shell .. ..	175 0 0					
	(ii) In the shell—						
	(a) Iranian Kagazi .. ..	95 0 0					
	(b) Iranian other than Kagazi .. ..	70 0 0					
	Cashew or cajoo kernels, not skinned.	39 0 0					
		Per thousand.					
	Coconuts, Ceylon .. ..	90 0 0					
	Coconuts, other except Maldives.	75 0 0					
	Dates, dry, excluding seedless—	Per cwt.					
	Shakra or Shakeria, Sakina and Brami.	40 0 0					
	Kapkas, Chharras, Chupchap, Sarki, Sori, Omani and Bhatni.	28 0 0					
	All other qualities .. ..	14 0 0					
	Dates, wet, in bags, baskets and bundles.	17 0 0					
	Dates, wet, packed in other receptacles.	25 0 0					
	Figs, dried, Iranian .. ..	15 0 0					
	Pistachio nuts .. ..	145 0 0					
	Raisins, red, Persian Gulf ..	40 0 0					
8(1)	CURRENTS .. ..	Revenue ..	Rs. 1-8 per cwt. ..	....	....	Free ..	....
9	COFFEE, not otherwise specified .. ..	Preferential revenue.	25 per cent. <i>ad valorem</i> plus one anna per pound plus one-fifth of the total duty.	....	30 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i> .	....
9(1)	COFFEE, canned or bottled .. ..	Preferential revenue.	36 per cent. <i>ad valorem</i> .	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....
9(2)	TEA† .. ..	Preferential revenue.	Six annas per pound ..	....	Three and three-fifths annas per pound.	Two and two-fifths annas per pound.	....
9(3)	THE FOLLOWING SPICES, whether ground or unground, namely:—						
	Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper.	Preferential revenue.	54 per cent. <i>ad valorem</i> .	....	45 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i> .	....
	<i>Tariff values—</i>	Per cwt. Ra. a. p.					
	Spices, unground—						
	Cloves, (other than exhausted)	70 0 0					
		Per lb. Ra. a. p.					
	Nutmegs in the shell .. ..	4 0 0					
9(4)	THE FOLLOWING UNGROUND SPICES, namely:—						
	Chillies, ginger and mace .. ..	Preferential revenue.	36 per cent. <i>ad valorem</i> .	....	27 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....
	<i>Tariff values—</i>	Per lb. Ra. a. p.					
	Mace, unground.. ..	9 8 0					
9(5)	BETELNUTS .. ..	Preferential revenue.	54 per cent. <i>ad valorem</i> .	....	45 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i> .	....
	<i>Tariff values—</i>	Per cwt. Ra. a. p.					
	Betelnuts (husked)—						
	Whole from Goa .. ..	50 0 0					
	Whole from Ceylon .. ..	53 0 0					
	Split from Ceylon—						
	(a) Mature .. ..	40 0 0					
	(b) Immature .. ..	60 0 0					
	All other sorts .. ..	40 0 0					
9(6)	VANILLA BEANS .. ..	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
10	GRAIN AND PULSE, not otherwise specified, including broken grains and pulse, but excluding flour.	....	Free .. ..	....	....	....	....
10(1)	WHEAT‡ .. ..	Protective ..	Rs. 1-12-4/5 per cwt. ..	....	....	Free ..	March 31st, 1946.
11	FLOUR, not otherwise specified .. ..	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
11(1)	WHEAT FLOUR .. ..	Protective ..	Rs. 1-12-4/5 per cwt. ..	....	....	Free ..	March 31st, 1946.
11(2)	SAGO FLOUR .. ..	....	Free .. ..	....	....	....	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, raw cashewnuts are exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, Black Brick tea, the produce of China, when imported at Calcutta from a port in Burma is exempt from payment of import duty.

‡ Under Government of India, Commerce Department, Notification No. 156-T (3)/41, dated the 6th December 1941, wheat is exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION II—<i>concl.</i></b>							
<b>PRODUCTS OF THE VEGETABLE KINGDOM—<i>concl.</i></b>							
11(3)	SAGO, TAPIOCA AND TAPIOCA FLOUR .. ..	Preferential revenue.	36 per cent. <i>ad valorem</i> .	.....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	.....
11(4)	STARCH AND FARINA .. .. .	Revenue .. ..	18 per cent. <i>ad valorem</i> .	.....	.....	Free .. ..	.....
12	SEEDS, all sorts, not otherwise specified ..	Revenue .. ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
12(1)	OILSEEDS imported into British India by sea from the territories of any Prince or Chief in India.	.....	Free .. .. .	.....	.....	.....	.....
12(2)	OILSEEDS, non-essential, all sorts not otherwise specified, including copra or coconut kernel.*	Preferential revenue.	36 per cent. <i>ad valorem</i> .	.....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	.....
	<i>Tariff values—</i>	Per cwt.					
	Poppy seeds .. .. .	Rs. a. p. 18 4 0					
12(3)	RUBBER SEEDS .. .. .	.....	Free .. .. .	.....	.....	.....	.....
12(4)	HOPS .. .. .	.....	Free .. .. .	.....	.....	.....	.....
12(5)	FODDER, BRAN AND POLLARDS .. ..	Revenue .. ..	3 per cent. <i>ad valorem</i> .	.....	.....	Free .. ..	.....
13	DYING AND TANNING SUBSTANCES, all sorts, not otherwise specified.†	Revenue .. ..	30 per cent. <i>ad valorem</i> .	.....	.....	Free .. ..	.....
	<i>Tariff values—</i>	Per lb.					
	Cochineal .. .. .	Rs. a. p. 1 12 0					
	Gallnuts .. .. .	Per cwt. 43 0 0					
13(1)	BARKS FOR TANNING .. .. .	Revenue .. ..	3-3/5 per cent. <i>ad valorem</i> .	.....	.....	Free .. ..	.....
13(2)	CUTCH AND GAMBIR, all sorts .. ..	Preferential revenue.	36 per cent. <i>ad valorem</i> .	.....	24 per cent. <i>ad valorem</i> .	5 per cent. <i>ad valorem</i> .	.....
13(3)	GUMS, RESINS AND LAC, all sorts not otherwise specified.	Revenue .. ..	30 per cent. <i>ad valorem</i> .	.....	.....	Free .. ..	.....
	<i>Tariff values—</i>	Per cwt.					
	Gum olibanum or frankincense.	Rs. a. p. 17 0 0					
	Gum Iranian (false) .. .. .	20 0 0					
	Myrrh, excluding cleaned and sifted Myrrh .. ..	80 0 0					
13(4)	GUMS, Arabic, Benjamin (ras and cowrie) and Dammer (including unrefined batu) and rosin.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	.....	24 per cent. <i>ad valorem</i> .	Free .. ..	.....
	<i>Tariff values—</i>	Per cwt.					
	Acacian gums, other than ground, including gum Arabic, gum Senegal and gum African but excluding gums cleaned and sifted.	Rs. a. p. 35 0 0					
13(5)	STICK OR SEED LAC .. .. .	.....	Free .. .. .	.....	.....	.....	.....
13(6)	OPIMUM .. .. .	Revenue .. ..	Rs. 30 per seer of 80 tolas or 18½ per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....	Free .. ..	.....
13(7)	CINCHONA BARK .. .. .	.....	Free .. .. .	.....	.....	.....	.....
14	CANES AND RATTANS .. .. .	Revenue .. ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
<b>SECTION III.</b>							
<b>FATTY SUBSTANCES, GREASES, OILS AND PRODUCTS OF THEIR DECOMPOSITION; PREPARED ALIMENTARY FATS; WAXES OF ANIMAL OR VEGETABLE ORIGIN.</b>							
15	ALL SORTS OF STEARINE, WAX, GREASE AND ANIMAL FAT, not otherwise specified.	Revenue .. ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
	<i>Tariff values—</i>	Per lb.					
	Lubricating grease .. .. .	Rs. a. p. 0 8 0					
	Petroleum jelly, white .. .. .	0 7 6					
	Petroleum jelly, all other sorts.	0 4 6					
	<i>N.B.</i> —The tariff values apply to articles packed in containers of not less than 14 lbs.						
15(1)	LARD, not canned or bottled .. .. .	Revenue .. ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
15(2)	BEEWAX .. .. .	Revenue .. ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
15(3)	TALLOW .. .. .	.....	Free .. .. .	.....	.....	.....	.....

\* Under Government of India, Department of Education, Health and Lands (Agriculture), Notification No. F.43-4/45-A, dated the 25th May, 1945 and in exercise of the powers conferred by section 3 of the Indian Coconut Committee Act, 1944 (X of 1944), an additional duty of annas four per hundred weight avoirdupois is levied on all copra consumed in any mill in British India when imported from outside British India.

† Under Government of India, Finance Department (Central Revenues), Notification No. 57, Customs, dated the 15th November, 1941, wattle extract for tanning is liable to import duty at 12 per cent. *ad valorem*.



SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION III—<i>concl.</i></b>							
<b>FATTY SUBSTANCES, GREASES, OILS AND PRODUCTS OF THEIR DECOMPOSITION; PREPARED ALIMENTARY FATS; WAXES OF ANIMAL OR VEGETABLE ORIGIN—<i>concl.</i></b>							
15(4)	FISH OIL, including whale oil, not otherwise specified.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
15(5)	FISH OIL AND WHALE OIL, hardened or hydrogenated.	Revenue	Rs. 12 per cwt.	....	....	Free	....
15(6)	VEGETABLE NON-ESSENTIAL OILS, not otherwise specified.	Preferential revenue.	42 per cent. <i>ad valorem</i> .	....	30 per cent. <i>ad valorem</i> .	18 per cent. <i>ad valorem</i> .	....
15(7)	THE FOLLOWING VEGETABLE NON-ESSENTIAL OILS, namely, coconut, groundnut and linseed.*	Preferential revenue.	42 per cent. <i>ad valorem</i> .	....	30 per cent. <i>ad valorem</i> .	18 per cent. <i>ad valorem</i> .	....
	<i>Tariff value—</i>	Per Imperial gallon.					
		Rs. s. p.					
	Linseed oil, raw or boiled ..	5 0 0					
	<i>N.B.</i> —The tariff value applies to articles packed in containers of not less than 14 lbs.						
15(8)	ALL SORTS OF ANIMAL OILS, not otherwise specified.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
<b>SECTION IV.</b>							
<b>PRODUCTS OF THE FOOD-PREPARING INDUSTRIES; BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO.</b>							
16	CANNED OR BOTTLED BACON, HAM AND LARD	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
16(1)	FISH, canned .. .. .	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
16(2)	ISINGLASS, canned or bottled .. .. .	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
17	SUGAR, excluding confectionery .. .. .	Protective	The rate at which excise duty is for the time being leviable on Sugar, other than <i>khandasari</i> or palmyra sugar, produced in British India† plus Rs. 6-12 per cwt. plus one-fifth of the total duty.	....	....	The rate at which excise duty is for the time being leviable on sugar, other than <i>khandasari</i> or palmyra sugar produced in British India†	March 31st, 1946.
17(1)	MOLASSES .. .. .	Revenue	37½ per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
17(2)	CONFECTIONERY .. .. .	Revenue	60 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
17(3)	SUGAR-CANDY .. .. .	Revenue	Rs. 12-6-9/5 per cwt...	....	....	Free	....
18	COCOA AND CHOCOLATE, other than confectionery.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
19	BISCUITS, CAKES, AND FARINACEOUS AND PATENT FOODS, canned or bottled.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
20	VEGETABLE PRODUCT, JAMS, JELLIES, PICKLES, CHUTNIES, SAUCES AND CONDIMENTS, canned or bottled.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
	<i>Tariff value—</i>	Per lb.					
		Rs. s. p.					
	Vegetable product (excluding hardened coconut oil).	0 12 0					
20(1)	FRUIT JUICES .. .. .	Preferential revenue.	38 per cent. <i>ad valorem</i> .	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....
20(2)	FRUITS AND VEGETABLES, canned or bottled..	Preferential revenue.	38 per cent. <i>ad valorem</i> .	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....
21	CANNED OR BOTTLED PROVISIONS, not otherwise specified.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
21(1)	PROVISIONS AND OILMAN'S STORES AND GROCERIES, all sorts not otherwise specified.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
	<i>Tariff values—</i>	Per cwt.					
		Rs. s. p.					
	Cocum.. .. .	15 0 0					
		Per lb.					
	Vegetable product (excluding hardened coconut oil), not canned or bottled.	6 6 0					
21(2)	ALL SORTS OF FOOD not otherwise specified..	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
22	ALL SORTS OF DRINK not otherwise specified..	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd. June, 1935, the duty leviable on linseed oil at the standard rate is 30 per cent. *ad valorem*.

† The rate of excise duty on the 1st January, 1945, and until further notice, on sugar, other than *khandasari* or palmyra sugar, produced in any factory in British India and either issued out of, or used within, such factory is Rs. 3 per cwt. The rate of excise duty on *khandasari* sugar produced in any factory in British India and issued out of such factory is eight annas per cwt.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION IV—<i>contd.</i></b>							
<b>PRODUCTS OF THE FOOD-PREPARING INDUSTRIES; BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO—<i>contd.</i></b>							
22(1) 22(2)	<b>ALE, BEER, PORTER, CIDER AND OTHER FERMENTED LIQUORS—</b>						
	(a) In barrels or other containers containing 27 ozs. or more.	Revenue	Rs. 1-2 per Imperial gallon.	....	....	....	....
	(b) In bottles containing less than 27 ozs. but not less than 20 ozs.	Revenue	Three annas per bottle	....	....	The rate at which excise duty is leviable at the place of importation plus one-fifth of the total duty.	....
	(c) In bottles containing less than 13½ ozs. but not less than 10 ozs.	Revenue	One anna and six pies per bottle.	....	....	....	....
	(d) In bottles containing less than 6½ ozs. but not less than 5 ozs.	Revenue	Nine pies per bottle ..	....	....	....	....
	(e) In other containers † .. .. .	Revenue	Rs. 1-8 per Imperial gallon.	....	....	....	....
22(3)	<b>WINES, not containing more than 42 per cent. of proof spirit—</b>						
	(a) Champagne and other sparkling wines.	Revenue	Rs. 15-12 per Imperial gallon.	....	....	The rate at which excise duty is leviable at the place of importation plus one-fifth of the total duty.	....
	(b) Other sorts .. .. .	Revenue	Rs. 9 per Imperial gallon.	....	....	....	....
22(4)	<b>SPRITS (other than denatured spirit)—</b>						
	(a) Brandy, gin, whisky and other sorts of spirits not otherwise specified, including wines containing more than 42 per cent. of proof spirit.	Revenue	Rs. 56-4 per Imperial gallon of the strength of London proof.	....	....	The rate at which excise duty is leviable at the place of importation plus one-half of the total duty.	....
	(b) Liqueurs, cordials, mixtures and other preparations containing spirit not otherwise specified—						
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Revenue	Rs. 75 per Imperial gallon.	....	....	....	....
	(ii) not so entered .. .. .	Revenue	Rs. 56-4 per Imperial gallon of the strength of London proof.	....	....	....	....
<b>PROVIDED THAT—</b>							
(a) the duty on any article included in this item shall in no case be less than the duty which would be charged if the article were liable to a duty of 37½ per cent. <i>ad valorem</i> ;							
(b) where the unit of assessment is the Imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.							
22(5)	<b>SPRITS—</b>						
	(a) Bitters—						
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Preferential revenue.	Rs. 75 per Imperial gallon.	....	Rs. 67-8 per Imperial gallon.	The rate at which excise duty is leviable at the place of importation plus one-half of the total duty.	....
	(ii) not so entered .. .. .	Preferential revenue.	Rs. 56-4 per Imperial gallon of the strength of London proof.	....	Rs. 50-10 per Imperial gallon of the strength of London proof.	....	....
	‡(b) Drugs and medicines containing spirit—						
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Preferential revenue.	Rs. 60 per Imperial gallon.	Rs. 54 per Imperial gallon.	Rs. 54 per Imperial gallon.	....	....
	(ii) not so entered .. .. .	Preferential revenue.	Rs. 43-8 per Imperial gallon of the strength of London proof.	Rs. 39 per Imperial gallon of the strength of London proof.	Rs. 39 per Imperial gallon of the strength of London proof.	....	....

\* There is no entry bearing Item No. 22(1).

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, ale and beer in containers other than bottles are exempt from so much of the duty as is in excess of the duty that would have been leviable if such containers were bottles.

‡ Under the Government of India, Finance Department (Central Revenues), Notification No. 10-Customs, dated the 22nd April, 1944, goods specified in this item are exempt, with effect from the 1st March, 1944, from so much of the duty leviable thereon as is in excess of that leviable at the rates shown below:—

(1) Specific rates.

Item No.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of	
		The United Kingdom.	A British Colony.
22(5) (b) (i)	Rs. 43 per Imperial gallon	Rs. 43-3½ per Imperial gallon	Rs. 43-3½ per Imperial gallon.
(b) (ii)	Rs. 34-12½ per Imperial gallon of the strength of London proof.	Rs. 31-3½ per Imperial gallon of the strength of London proof.	Rs. 31-3½ per Imperial gallon of the strength of London proof.

(2) Alternative *ad valorem* rates of 24 per cent. and 36 per cent. respectively, if duty is levied under proviso (a) to Item 22 (5).

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION IV—<i>contd.</i></b>							
<b>PRODUCTS OF THE FOOD-PREPARING INDUSTRIES; BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO—<i>contd.</i></b>							
	(c) Perfumed spirits .. .. .	Revenue .. . . .	Rs. 60 per Imperial gallon or 25 per cent. <i>ad valorem</i> whichever is higher plus one-half of the total duty.	.....	.....	.....	.....
	(d) Rum .. .. .	Preferential revenue.	Rs. 56-4 per Imperial gallon of the strength of London proof.	.....	Rs. 50-10 per Imperial gallon of the strength of London proof.	.....	.....
PROVIDED THAT—							
(a) on any article chargeable under this item with the lower rate of duty, the duty levied shall in no case be less than 30 per cent. <i>ad valorem</i> , and on any article chargeable under this item with the higher rate of duty, the duty levied shall in no case be less than 45 per cent. <i>ad valorem</i> ;							
(b) where the unit of assessment is the Imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.							
22(6)	DENATURED SPIRIT .. .. .	Revenue .. . . .	11½ per cent. <i>ad valorem</i> .	.....	.....	Free	.....
22(7)	VINEGAR IN CASKS .. .. .	Revenue .. . . .	3 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
23	OLDCAKES .. .. .	Revenue .. . . .	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
24	TOBACCO, manufactured, not otherwise specified.	Revenue .. . . .	Rs. 8 per lb.	.....	.....	10 per cent. <i>ad valorem</i> .	.....
24(1)	CIGARS .. .. .	Revenue .. . . .	The rate at which duty is for the time being leviable on articles in Item No. 87 read with any other enactment in force plus Rs. 7-8 per lb.	.....	.....	10 per cent. <i>ad valorem</i> .	.....
24(2)	CIGARETTES .. .. .	Revenue .. . . .	The rate at which duty is for the time being leviable on articles included in Item No. 87 read with any other enactment in force plus Rs. 18/12/- per thousand or Rs. 7/8/- per lb. whichever is higher.	.....	.....	10 per cent. <i>ad valorem</i> .	.....
24(3)	TOBACCO, unmanufactured .. .. .	Preferential revenue.	Rs. 7-8 per lb.	.....	Rs. 7-8 per lb.	10 per cent. <i>ad valorem</i> .	.....
<b>SECTION V.</b>							
<b>MINERAL PRODUCTS.</b>							
25	CHINA CLAY .. .. .	.....	Free .. .. .	.....	.....	.....	.....
25(1)	SALT, excluding salt exempted under Item No. 25 (2).	Revenue .. . . .	The rate at which excise duty is for the time being leviable on salt manufactured in the place where the import takes place.*	.....	.....	.....	.....
25(2)	SALT IMPORTED INTO BRITISH INDIA AND ISSUED, in accordance with rules made with the previous sanction of the Central Government for use in any process of manufacture; also salt imported into the port of Calcutta and issued with the sanction of the Central Government to manufacturers of glazed stoneware; also salt imported into any port in the provinces of Bengal and Bihar and Orissa and issued, in accordance with rules made with the previous sanction of the Central Government for use in curing fish in those provinces.	.....	Free .. .. .	.....	.....	.....	.....
25(3)	THE FOLLOWING BUILDING AND ENGINEERING MATERIALS, namely, chalk, lime and clay.	Revenue .. . . .	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
25(4)	CEMENT not otherwise specified .. .. .	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i> .	.....	12 per cent. <i>ad valorem</i> .	.....
25(5)	PORTLAND CEMENT excluding white Portland cement.	Revenue .. . . .	Rs. 16-8 per ton.	.....	.....	12 per cent. <i>ad valorem</i> .	.....
25(6)	STONE prepared as for road metalling .. . . .	.....	Free .. .. .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
25(7)	MARBLE AND STONE not otherwise specified.	Revenue .. . . .	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
26	METALLIC ORES, all sorts except ochres and other pigment ores.	.....	Free .. .. .	.....	.....	.....	.....
27	COAL, COKE AND PAYMENT FUEL .. .. .	Revenue .. . . .	Twelve annas per ton.	.....	.....	.....	.....
27(1)	ASPHALT .. .. .	Preferential revenue.	30 per cent. <i>ad valorem</i> .	.....	18 per cent. <i>ad valorem</i> .	6 per cent. <i>ad valorem</i> .	.....
27(2)	PITCH AND TAR .. .. .	Revenue .. . . .	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....

\* The rate of excise duty on the 1st January, 1945, and until further notice is Re. 1-9-0 per standard maund.

† Under Government of India, Finance Department (Central Revenue), Notification No. 33, dated the 22nd June, 1935, sandstone is exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION V—<i>concl.</i></b>							
<b>MINERAL PRODUCTS—<i>concl.</i></b>							
	<i>Tariff value—</i>						
	Coalpitch .. .. .	Per cwt. Rs. a. p. 8 8 0					
27(3)	ALL SORTS OF MINERAL OILS not otherwise specified.	Revenue	30 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	
	<i>Tariff values—</i>	Per Imperial gallon. Rs. a. p.					
	Mineral Colza oil .. .. .	2 5 0					
	Transformer oil, including transil and switch oil, other than that assessed to duty under the proviso to Item No. 27(3) of the First Schedule of the Indian Tariff Act, 1934.	3 4 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	Four annas and six 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	Four annas and six pies per Imperial gallon.				
27(6)	MOTOR SPIRIT † .. .. .	Revenue	The rate at which excise duty is for the time being leviable on motor spirit.				
27(7)	MINERAL OIL—						
	(a) which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer, and is ordinarily used for the hatching of jute or other fibre;	Revenue	Rs. 18-12 per ton ..			Free	
	(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	15 per cent. <i>ad valorem.</i>				
	<i>Tariff value—</i>	Per ton. Rs. a. p. 67 0 0					
	Mineral oil which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, and is such as is not ordinarily used except as fuel or for some sanitary or hygienic purposes, if imported naked in bulk.						
27(8)	LUBRICATING OIL, that is, oil such as is not ordinarily used for any other purpose than lubrication, excluding any mineral oil which has its flashing point below two hundred degrees of the Fahrenheit thermometer by Abel's close test.	Revenue	Two annas and six pies per Imperial gallon.			Free	
<b>SECTION VI.</b>							
<b>CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS.</b>							
28	CHEMICALS, DRUGS AND MEDICINES, all sorts not otherwise specified. ‡ § ¶	Preferential revenue.	35 per cent. <i>ad valorem.</i>	24 per cent. <i>ad valorem.</i>	24 per cent. <i>ad valorem.</i>	12 per cent. <i>ad valorem.</i>	
	<i>Tariff values—</i>	Per cwt. Rs. a. p.					
	Alkali, Indian (sajji-khar) .. .. .	14 0 0					
	Ammonium carbonate or bicarbonate.	35 0 0					
	Ammonium chloride—						
	Muriate of ammonia, crystalline.	23 8 0					
	Salammoniac, sublimed .. .. .	45 0 0					
	Other sorts, including compressed.	35 0 0					
	Carbonic acid gas including compressed or liquefied gas.	Per lb. 0 4 3					
	Chlorine .. .. .	0 8 0					

\* The rate of excise duty on the 1st January, 1945, and until further notice, on all kerosene produced in a manufactory in British India is the rate at which customs-duty is for the time being leviable under the Indian Tariff Act, 1934, read with any other enactment for the time being in force.

† The rate of excise duty on the 1st January, 1945, and until further notice, on all motor spirit produced in a manufactory in British India is 15 annas per Imperial gallon.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, 'as amended' subsequently, calcium acetate, radium salts and cryolite are exempt from payment of import duty.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 32, dated the 16th May, 1942, Ipecacuanha root, ergot of rye and cascara sagrada are exempt from payment of import duty.

¶ Under Government of India, Finance Department (Central Revenues), Notification No. 11-Customs, dated the 8th May, 1943, aluminium fluoride is exempt from payment of import duty.

¶ Under Government of India, Finance Department (Central Revenues), Notification No. 23-Customs, dated the 25th September, 1943, Mepacrine Hydrochloride is exempt from payment of import duty.



SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.												
				The United Kingdom.	A British Colony.	Burma.													
<b>SECTION VI—<i>contd.</i></b>																			
<b>CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS—<i>contd.</i></b>																			
28(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 plus one-fifth of the total duty.	....	....	Free	....												
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	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....												
29	CINEMATOGRAPH FILMS, not exposed	Revenue	24 per cent. <i>ad valorem</i> .	....	....	6 per cent. <i>ad valorem</i> .	....												
29(1)	CINEMATOGRAPH FILMS, exposed	Revenue	45 per cent. <i>ad valorem</i> .	....	....	24 per cent. <i>ad valorem</i> .	....												
<p><i>Tariff values—</i></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: center;">Per foot.</th> <th style="width: 30%;"></th> </tr> <tr> <th style="text-align: left;">Exposed standard positive films, new or used—</th> <th style="text-align: center;">Rs. a. p.</th> <th></th> </tr> </thead> <tbody> <tr> <td>Feature films .. .. .</td> <td style="text-align: center;">0 7 0</td> <td></td> </tr> <tr> <td>Other films .. .. .</td> <td style="text-align: center;">0 3 0</td> <td></td> </tr> </tbody> </table>									Per foot.		Exposed standard positive films, new or used—	Rs. a. p.		Feature films .. .. .	0 7 0		Other films .. .. .	0 3 0	
	Per foot.																		
Exposed standard positive films, new or used—	Rs. a. 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.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i> .	....	12 per cent. <i>ad valorem</i> .	....												
<p><i>Tariff value—</i></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: center;">Per cwt.</th> <th style="width: 30%;"></th> </tr> <tr> <th style="text-align: left;">Cuttle fish bone</th></tr></thead></table>									Per cwt.		Cuttle fish bone	Rs. a. p.							
	Per cwt.																		
Cuttle fish bone																			
.....	8 0 0																		

30(1)	DYES DERIVED FROM COAL-TAR, AND COAL-TAR DERIVATIVES, used in any dyeing process.	Revenue	12 per cent. *ad valorem*.	....	....	Free	....																																																																																																								
*Tariff values—*		Per cwt.			--	-----------	--		Alizarine, moist—	Rs. a. p.			(a) not exceeding 16 per cent.	180 0 0			(b) Over 16 per cent. not exceeding 20 per cent.	210 0 0			(c) exceeding 20 per cent.,...	400 0 0			Alizarine, dry—	Per lb.			(a) not exceeding 40 per cent.	5 8 0			(b) exceeding 40 per cent.,...	10 0 0			Congo red	4 0 0			Coupling dyes of the naphthol group—				(a) Naphthols .. .. .	14 4 0			(b) Rapid fast colours (rapid salts).	18 0 0			(c) Bases .. .. .	11 0 0			(d) Other salts .. .. .	7 0 0			Vats—				(a) Indigo .. .. .	4 8 0			(b) Carbazole blue .. .. .	10 0 0			(c) Other sorts—				(i) Paste .. .. .	10 8 0			(ii) Powder .. .. .	38 8 0			Sulphur black .. .. .	2 8 0			Metanil yellow .. .. .	3 0 0			Aniline oil .. .. .	1 8 0			Aniline salts .. .. .	2 0 0			All others .. .. .	4 8 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. *ad valorem*, or Rs. 4-12 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. *ad valorem*.	....	12 per cent. *ad valorem*.	....																																																																																																								
	(b) White lead, genuine dry	Preferential revenue.	30 per cent. *ad valorem*, or Rs. 5-12 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. *ad valorem*.	....	....	....																																																																																																								
	(c) Zinc white, genuine dry	Preferential revenue.	30 per cent. *ad valorem*, or Rs. 6 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. *ad valorem*.	....	....	....																																																																																																								

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
	<b>SECTION VI—<i>contd.</i></b>						
	CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS— <i>contd.</i>						
	(d) Paints, other sorts, coloured, moist— (i) in packing of 1 lb. or over ..	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 8-8 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem.</i>	....	12 per cent. <i>ad valorem.</i>	....
	(ii) in packing of $\frac{1}{2}$ lb. and over but less than 1 lb. ..	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 11-4 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem.</i>	....	....	....
	(iii) in packing of $\frac{1}{4}$ lb. and over but less than $\frac{1}{2}$ lb. ..	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 17 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem.</i>	....	....	....
	(iv) in packing of less than $\frac{1}{4}$ lb. ..	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 24 per cwt., whichever is higher plus one-fifth of the total duty.	24 per cent. <i>ad valorem.</i>	....	....	....
30(3)	PAINTS, COLOURS AND PAINTERS' MATERIALS, the following, namely:—						
	(a) Red lead, reduced dry .. ..	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 4-12 per cwt., whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem.</i>	....
	(b) White lead, genuine moist, and reduced dry or moist.	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 5-12 per cwt., whichever is higher plus one-fifth of the total duty.	....	....	....	....
	(c) Zinc white, genuine moist .. ..	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 6 per cwt., whichever is higher plus one-fifth of the total duty.	....	....	....	....
	(d) Zinc white, reduced dry or moist ..	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 4-4 per cwt., whichever is higher plus one-fifth of the total duty.	....	....	....	....
30(4)	THE FOLLOWING PAINTS, COLOURS AND PAINTERS' MATERIALS, namely, barytes, turpentine, turpentine substitute, and varnish not containing dangerous petroleum within the meaning of the Indian Petroleum Act, 1934.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
30(5)	PLUMBAGO AND GRAPHITE .. ..	Preferential revenue.	36 per cent. <i>ad valorem.</i>	....	24 per cent. <i>ad valorem.</i>	12 per cent. <i>ad valorem.</i>	....
30(6)	PRINTER'S INK .. ..	Revenue ..	12 per cent. <i>ad valorem.</i>	....	....	Free	....
30(7)	LEAD PENCILS .. ..	Revenue ..	25 per cent. <i>ad valorem</i> or one anna per dozen, whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem.</i>	....
30(8)	SLATE PENCILS .. ..	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
31	NATURAL ESSENTIAL OILS, all sorts not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
31(1)	THE FOLLOWING NATURAL ESSENTIAL OILS, namely, citronella, cinnamon, and cinnamon leaf.	Preferential revenue.	36 per cent. <i>ad valorem.</i>	....	24 per cent. <i>ad valorem.</i>	12 per cent. <i>ad valorem.</i>	....
	<i>Tariff value—</i> Per lb. Rs. s. p. Citronella oil, natural, from the Far East. 3 10 0						
	<i>N.B.—</i> The tariff value applies to articles packed in containers of not less than 14 lbs.						
31(2)	THE FOLLOWING NATURAL ESSENTIAL OILS, namely, almond, bergamot, gajupatti, camphor, cloves, eucalyptus, lavender, lemon, otto-rose and peppermint.	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
31(3)	ESSENTIAL OILS, synthetic .. ..	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
31(4)	CAMPHOR .. ..	Revenue ..	60 per cent. <i>ad valorem.</i>	....	....	24 per cent. <i>ad valorem.</i>	....
31(5)	PERFUMERY not otherwise specified ..	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
	<i>Tariff value—</i> Per cwt. Rs. s. p. Rose-flowers, dried .. .. 50 0 0						
32	SOAP, not otherwise specified .. ..	Revenue ..	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
32(1)	SOAP, Toilet .. ..	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 20 per cwt., whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem.</i>	....



## SCHEDULE I—IMPORT TARIFF—contd.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION VI—contd.</b>							
<b>CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS—contd.</b>							
32(2)	SOAP, household and laundry— (a) in plain bars of not less than one pound in weight.	Revenue	Rs. 4-12½ per cwt.	....	....	Re. 1-12½ per cwt.	....
	(b) other sorts	Revenue	Rs. 7-12½ per cwt.	....	....	....	....
32(3)	POLISHES AND COMPOSITIONS	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
32(4)	CANDLES	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
33	GLUE, not otherwise specified	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
33(1)	GLUE, clarified, liquid	Revenue	12 per cent. <i>ad valorem</i> .	....	....	Free	....
34	GUNPOWDER FOR CANNONS, RIFLES, GUNS, PISTOLS AND SPORTING PURPOSES.	Revenue	60 per cent. <i>ad valorem</i> .	....	....	24 per cent. <i>ad valorem</i> .	....
34(1)	EXPLOSIVES, namely, blasting gunpowder, blasting gelatine, blasting dynamite, blasting roborite, blasting tonite, and all other sorts, including detonators and blasting fuze.*	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
34(2)	FIREWORKS, specially prepared as danger or distress lights for the use of ships.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
34(3)	FIREWORKS, not otherwise specified†	Revenue	60 per cent. <i>ad valorem</i> .	....	....	24 per cent. <i>ad valorem</i> .	....
34(4)	MATCHES, undipped splints and veneers— (a) Matches—						
	(1) In boxes or booklets containing on an average not more than 40 matches.	Protective	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡ plus ten annas per gross of boxes or booklets plus one-fifth of the total duty.	....	....	The rate at which excise duty is for the time being leviable on such matches manufactured in British India.‡	....
	(2) In boxes or booklets containing on an average more than 40 but not more than 60 matches.	Protective	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡ plus fifteen annas per gross of boxes or booklets plus one-fifth of the total duty.	....	....	The rate at which excise duty is for the time being leviable on such matches manufactured in British India.‡	....
	(3) In boxes or booklets containing on an average more than 60 but not more than 80 matches.	Protective	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡ plus Re. 1-4 per gross of boxes or booklets plus one-fifth of the total duty.	....	....	The rate at which excise duty is for the time being leviable on such matches manufactured in British India.‡	....
	(4) All other matches	Protective	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡ plus one pie for every 48 matches or fraction thereof plus one-fifth of the total duty.	....	....	The rate at which excise duty is for the time being leviable on such matches manufactured in British India.‡	....
	(b) Undipped splints such as are ordinarily used for match-making.	Protective	Six annas and nine pies per lb.	....	....	12 per cent. <i>ad valorem</i> .	....
	(c) Veneers such as are ordinarily used for making boxes, including boxes and parts of boxes made of such veneers.	Protective	Nine annas per lb.	....	....	12 per cent. <i>ad valorem</i> .	....
35	MANURES, all sorts, including animal bones and the following chemical manures—Basic slag; nitrate of ammonia, nitrate of soda, muriate of potash, sulphate of ammonia, sulphate of potash, kainit salts, carboline, urea, nitrate of lime, calcium cyanamide; ammonium phosphates, mineral phosphates and mineral superphosphates.	....	Free	....	....	....	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently explosives specially adapted for use in coal mines and included in the list of "Permitted Explosives" issued by the Chief Inspector of Mines in India under the Indian Coal Mines Regulations, 1926, and in force for the time being are exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently fireworks specially designed for the use of aircraft are liable to duty at 30 per cent. *ad valorem*.

‡ For the rates of excise duty on the 1st January, 1945, and until further notice, see page 130.

§ For the rate of excise duty on the 1st January, 1945, and until further notice, see page 130. But under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, matches in boxes or booklets containing on an average more than 40 but not more than 80 matches are liable to duty at the rate equivalent to the excise duty leviable on such matches plus 12 annas and 6 pies per gross of boxes or booklets, exclusive of the additional duty (leviable under the Indian Finance Act, 1944) of one-fifth of the total duty.

¶ The rate of excise duty on the 1st January, 1945, and until further notice is 8 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.	Burma.	
<b>SECTION VII.</b>							
<b>HIDES, SKINS, LEATHER, FUR SKINS, AND MANUFACTURES OF THESE MATERIALS.</b>							
36	HIDES AND SKINS not otherwise specified ..	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
36(1)	HIDES AND SKINS, raw or salted .. ..	....	Free .. ..	....	....	....	....
36(2)	SKINS (other than Fur Skins), tanned or dressed, and unwrought leather.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
37	THE FOLLOWING LEATHER MANUFACTURES, namely, saddlery, harness, trunks and bags.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
37(1)	LEATHER CLOTH INCLUDING ARTIFICIAL LEATHER, and other manufactures of leather not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
38	FUR SKINS, dressed .. .. .	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
<b>SECTION VIII.</b>							
<b>RUBBER AND ARTICLES MADE OF RUBBER.</b>							
39	RUBBER, raw .. .. .	....	Free .. ..	....	....	....	....
39(1)	RUBBER TYRES AND TUBES AND OTHER MANUFACTURES OF RUBBER, not otherwise specified, excluding apparel and boots and shoes.*	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
<b>SECTION IX.</b>							
<b>WOOD AND CORK AND WARES OF THESE MATERIALS: GOODS MADE OF PLAITING MATERIALS.</b>							
40	WOOD AND TIMBER, all sorts, not otherwise specified, including all sorts of ornamental wood.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	Free ..	....
40(1)	FIREWOOD .. .. .	Revenue ..	3 per cent. <i>ad valorem</i> .	....	....	Free ..	....
40(2)	FURNITURE AND CABINETWARE, not otherwise specified, excluding mouldings.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	Free ..	....
40(3)	TEA CHESTS AND PARTS AND FITTINGS thereof	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	Free ..	....
41	CORK MANUFACTURES not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
42	FURNITURE OF WICKERWORK OR BAMBOO ..	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
<b>SECTION X.</b>							
<b>PAPER AND ITS APPLICATIONS.</b>							
43	WOOD PULP .. .. .	Protective	25 per cent. <i>ad valorem</i> or Rs. 30 per ton, whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	March 31st, 1946.
44	WRITING PAPER—						
	(a) Ruled or printed forms (including letter paper with printed headings) and envelopes made of writing paper and account and manuscript books and binding thereof.	Protective	Nine pies per lb. or 25 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	March 31st, 1946.
	(b) All other sorts .. .. .	Protective	Ten and four-fifths pies per lb.	....	....	....	March 31st, 1946.
44(1)	PRINTING PAPER, excluding poster and stereo and all coated papers, but including art paper, 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	Ten and four-fifths pies per lb.	....	....	12 per cent. <i>ad valorem</i> .	March 31st, 1946.
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.†	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
44(3)	PAPER, including poster and stereo and all coated papers except art paper, all sorts, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
44(4)	PASTEBOARD, MILLBOARD, CARDBOARD AND STRAWBOARD, all sorts.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
44(5)	TRADE CATALOGUES AND ADVERTISING CIRCULARS imported by packet, book or parcel post.	....	Free .. ..	....	....	....	....
44(6)	PAPER MONEY .. .. .	....	Free .. ..	....	....	....	....
44(7)	NEWSPAPERS, OLD, in bales and bags ..	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 36, dated the 27th June, 1942, rubber scrap including unserviceable rubber tyres is exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, the following classes of printing paper containing mechanical wood pulp amounting to not less than 70 per cent. of the fibre content are exempt from payment of so much of the import duty as is in excess of the amount mentioned against each:—(i) newsprint in reels, unglazed—Rs. 1-12½ per cwt., (ii) newsprint in reels, other sorts—Rs. 2-1½ per cwt., and (iii) all sorts not in reels (excluding chrome, marble, flint, poster, stereo and art paper) white or grey—Rs. 2-6½ per cwt.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION X—<i>concl.</i></b>							
<b>PAPER AND ITS APPLICATIONS—<i>concl.</i></b>							
45	ARTICLES MADE OF PAPER AND PAPIER MACHE; Stationery including drawing and copy books, labels, advertising circulars, sheet or card almanacs and calendars, Christmas, Easter and other cards, including cards in booklet forms; including also waste paper but excluding paper and stationery otherwise specified.*	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
45(1)	BOOKS, printed, including covers for printed books, maps, charts and plans, proofs, music manuscripts, and illustrations specially made for binding in books.	....	Free .. .. .	....	....	....	....
45(2)	PRINTS, ENGRAVINGS AND PICTURES (including photographs and picture post cards) on paper or cardboard.†	Revenue	60 per cent. <i>ad valorem</i> .	....	....	24 per cent. <i>ad valorem</i> .	....
<b>SECTION XI.</b>							
<b>TEXTILE MATERIALS AND TEXTILE GOODS.</b>							
46	SILK, RAW (excluding silk waste and noils), and silk cocoons.	Protective	25 per cent. <i>ad valorem</i> plus 14 annas per lb. plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	March 31st, 1946.
46(1)	SILK WASTE AND NOILS .. .. .	Protective	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	March 31st, 1946.
46(2)	WOOL, RAW, AND WOOLTOPS .. .. .	....	Free .. .. .	....	....	....	....
46(3)	COTTON, RAW‡ .. .. .	Revenue	One anna per lb. ..	....	....	Free ..	....
46(4)	TEXTILE MATERIALS, the following— Raw flax, hemp, jute and all other unmanufactured textile materials not otherwise specified.	Revenue	Raw hemp—2½ per cent. <i>ad valorem</i> ; all others—30 per cent. <i>ad valorem</i> .	....	....	Raw hemp—free; all others—12 per cent. <i>ad valorem</i> .	....
46(5)	SISAL AND ALOE FIBRE .. .. .	Preferential revenue	38 per cent. <i>ad valorem</i> .	....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....
47	SILK YARN including thrown silk warps and yarn spun from silk waste or noils, but excluding sewing thread.§	Protective	25 per cent. <i>ad valorem</i> plus 14 annas per lb. plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	March 31st, 1946.
47(1)	SILK SEWING THREAD .. .. .	Protective	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	March 31st, 1946.
47(2)	ARTIFICIAL SILK YARN AND THREAD .. .. .	Revenue	25 per cent. <i>ad valorem</i> or 5 annas per lb. whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	....
47(3)	WOOLLEN YARN, not otherwise specified ..	Revenue	80 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
47(4)	WOOLLEN YARN for weaving and knitting wool.	Revenue	80 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
47(5)	COTTON THREAD, other than sewing or darning thread.	Revenue	80 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
47(6)	COTTON TWIST AND YARN, and cotton sewing or darning threads—					Free ..	
	(a) of counts above 50's—						
	(i) of British manufacture ..	Protective	6 per cent. <i>ad valorem</i> ..	....	....	....	March 31st, 1946.
	(ii) not of British manufacture ..	Protective	7½ per cent. <i>ad valorem</i> .	....	....	....	March 31st, 1946.
	(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 plus one-fifth of the total duty.	....	....	....	March 31st, 1946.
	(ii) not of British manufacture ..	Protective	6½ per cent. <i>ad valorem</i> or 1½ annas per lb., whichever is higher plus one-fifth of the total duty.	....	....	....	March 31st, 1946.
47(7)	TWIST AND YARN OF FLAX OR JUTE .. .. .	Revenue	80 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
47(8)	YARN (excluding cotton yarn) such as is ordinarily used for the manufacture of belting for machinery.	Revenue	7½ per cent. <i>ad valorem</i> .	....	....	Free ..	....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, posters, pamphlets and other printed material intended for tourist propaganda purposes, provided they are issued by or under the auspices of the Governments of the countries, being countries outside India, within which travel is to be stimulated and are not primarily intended to advertise the services of any private tourist agency, are exempt from payment of import duty.

† Under Government of India, Finance Department (Central 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 the Cotton Fund Ordinance, 1942 (Central Ordinance No. VIII of 1942), dated the 29th January, 1942, an additional duty of Customs at the rate of one anna per lb. is also leviable on raw cotton imported into any port in British India.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, noil yarn is exempt from so much of the duty as is in excess of 80 per cent. *ad valorem*.

¶ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, cotton sewing or darning thread wound on reels, balls, tubes, cards, bobbins, spools, cops, cheeses and cones is liable to duty at 6 per cent. *ad valorem* when the thread is of British manufacture and at 7½ per cent. *ad valorem* when it is of non-British manufacture.

## SCHEDULE I—IMPORT-TARIFF—contd.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XI—contd.</b>							
<b>TEXTILE MATERIALS AND TEXTILE GOODS—contd.</b>							
48	FABRICS, not otherwise specified, containing more than 90 per cent. of silk, including such fabrics embroidered with artificial silk—					24 per cent. <i>ad valorem</i> .	
	(a) Pongee .. .. .	Protective ..	50 per cent. <i>ad valorem</i> plus Re. 1 per lb. plus one-fifth of the total duty.	....	....	....	March 31st, 1946.
	(b) Fuji, Boseki and corded (excluding white cord).	Protective ..	50 per cent. <i>ad valorem</i> plus Re. 1-8 per lb. plus one-fifth of the total duty.	....	....	....	March 31st, 1946.
	(c) Other sorts* .. .. .	Protective ..	50 per cent. <i>ad valorem</i> plus Rs. 2 per lb. plus one-fifth of the total duty.	....	....	....	March 31st, 1946.
48(1)	FABRICS, not otherwise specified, containing more than 90 per cent. of artificial silk—					18 per cent. <i>ad valorem</i> .	
	(a) of British manufacture .. .. .	Protective ..	30 per cent. <i>ad valorem</i> or 2½ annas per square yard, whichever is higher plus one-fifth of the total duty.	....	....	....	March 31st, 1946.
	(b) not of British manufacture†	Protective ..	50 per cent. <i>ad valorem</i> or 4 annas per square yard, whichever is higher plus one-fifth of the total duty.	....	....	....	March 31st, 1946.
48(2)	WOOLLEN FABRICS, not otherwise specified, containing more than 90 per cent. of wool, excluding felt and fabrics made of shoddy or waste wool.	Revenue ..	25 per cent. <i>ad valorem</i> or Re. 1-2 per lb., whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	....
48(3)	COTTON FABRICS, not otherwise specified, containing more than 90 per cent. of cotton—					6 per cent. <i>ad valorem</i> .	
	(a) Grey piecegoods (excluding bordered grey chadars, dhuties, saris and scarves)—						
	(i) of British manufacture‡	Protective ..	15 per cent. <i>ad valorem</i> or 2½ annas per lb., whichever is higher plus one-fifth of the total duty.	....	....	....	March 31st, 1946.
	(ii) not of British manufacture ..	Protective ..	50 per cent. <i>ad valorem</i> or 5½ annas per lb., whichever is higher plus one-fifth of the total duty.	....	....	....	March 31st, 1946.
	(b) Printed piecegoods and printed fabrics—						
	(i) of British manufacture‡	Protective ..	21 per cent. <i>ad valorem</i> .	....	....	....	March 31st, 1946.
	(ii) not of British manufacture ..	Protective ..	60 per cent. <i>ad valorem</i> .	....	....	....	March 31st, 1946.
	(c) Cotton piecegoods and fabrics, not otherwise specified—						
	(i) of British manufacture¶	Protective ..	18 per cent. <i>ad valorem</i> .	....	....	....	March 31st, 1946.
	(ii) not of British manufacture ..	Protective ..	60 per cent. <i>ad valorem</i> .	....	....	....	March 31st, 1946.
48(4)	FABRICS, not otherwise specified, containing more than 10 per cent. and not more than 90 per cent. silk—					24 per cent. <i>ad valorem</i> .	
	(a) containing more than 50 per cent. of silk or artificial silk or of both.	Protective ..	50 per cent. <i>ad valorem</i> plus Rs. 2 per lb. plus one-fifth of the total duty.	....	....	....	March 31st, 1946.
	(b) containing not more than 50 per cent. of silk or artificial silk or of both—						
	(i) containing more than 10 per cent. artificial silk.§§	Protective ..	50 per cent. <i>ad valorem</i> or Re. 1-8 per lb., whichever is higher plus one-fifth of the total duty.	....	....	....	March 31st, 1946.
	(ii) containing no artificial silk or not more than 10 per cent. artificial silk.§§	Protective ..	60 per cent. <i>ad valorem</i> .	....	....	....	March 31st, 1946.

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, (1) Chinese silk piecegoods, the following, namely, Ghat-Pote, plain and flower, and Gauze, plain and flower, are liable to duty at 50 per cent. *ad valorem* plus Re. 1 per lb. plus one-fifth of the total duty, and (2) Pa] all sorts, are exempt from so much of the duty as is in excess of 90 per cent. *ad valorem*.

† Under Government of India, Commerce Department, Notification No. 341-T.(6)/41, dated the 21st July, 1941, the articles assessable under this sub-item are liable to duty at 50 per cent. *ad valorem* or 7 annas per square yard, whichever is higher plus one-fifth of the total duty.

‡ Under Government of India, Commerce Department, Notification No. 20-T.(17)/39, dated the 16th April, 1940, the articles assessable under this sub-item are liable to duty at 12½ per cent. *ad valorem* or 2½ annas per lb. whichever is higher plus one-fifth of the total duty.

§ Under Government of India, Commerce Department, Notification No. 20-T.(17)/39, dated the 16th April, 1940, the articles assessable under this sub-item are liable to duty at 18 per cent. *ad valorem*.

¶ Under Government of India, Commerce Department, Notification No. 20-T.(17)/39, dated the 16th April, 1940, the articles assessable under this sub-item are liable to duty at 15 per cent. *ad valorem*.

§§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, woollen all-overs embroidered with artificial silk are exempt from so much of the duty as is in excess of 25 per cent. *ad valorem* or Re. 1-2 per lb., whichever is higher plus one-fifth of the total duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XI—<i>contd.</i></b>							
<b>TEXTILE MATERIALS AND TEXTILE GOODS—<i>contd.</i></b>							
48(5)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. artificial silk—					18 per cent. <i>ad valorem</i> .	
	(a) containing 50 per cent. or more cotton—						
	(i) of British manufacture .. .. .	Protective ..	30 per cent. <i>ad valorem</i> or 2 annas per square yard, whichever is higher plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(ii) not of British manufacture* ..	Protective ..	50 per cent. <i>ad valorem</i> or 3½ annas per square yard, whichever is higher plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(b) containing no cotton or containing less than 50 per cent. cotton—						
	(i) of British manufacture .. .. .	Protective ..	30 per cent. <i>ad valorem</i> or 2½ annas per square yard, whichever is higher plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(ii) not of British manufacture† ..	Protective ..	50 per cent. <i>ad valorem</i> or 4 annas per square yard, whichever is higher plus one-fifth of the total duty.	....	....		March 31st, 1946.
48(6)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk, but containing more than 10 per cent. but not more than 90 per cent. wool.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	
48(7)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool, but containing more than 50 per cent. cotton and not more than 90 per cent. cotton—					18 per cent. <i>ad valorem</i> .	
	(a) of British manufacture .. .. .	Protective ..	30 per cent. <i>ad valorem</i> .	....	....		March 31st, 1946.
	(b) not of British manufacture .. .. .	Protective ..	60 per cent. <i>ad valorem</i> .	....	....		March 31st, 1946.
48(8)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool or 50 per cent. cotton.	Revenue ..	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
48(9)	THE FOLLOWING COTTON FABRICS, namely, Sateens including Italians of Sateen weave, velvets and velveteens and embroidered all-overs—					8 per cent. <i>ad valorem</i> .	
	(a) Printed fabrics—						
	(i) of British manufacture‡ .. .. .	Protective ..	21 per cent. <i>ad valorem</i> .	....	....		March 31st, 1946.
	(ii) not of British manufacture .. .. .	Protective ..	42 per cent. <i>ad valorem</i> .	....	....		March 31st, 1946.
	(b) Other fabrics—						
	(i) of British manufacture‡ .. .. .	Protective ..	18 per cent. <i>ad valorem</i> .	....	....		March 31st, 1946.
	(ii) not of British manufacture .. .. .	Protective ..	42 per cent. <i>ad valorem</i> .	....	....		March 31st, 1946.
48(10)	FABRICS containing gold or silver thread ..	Protective ..	60 per cent. <i>ad valorem</i> .	....	....	24 per cent. <i>ad valorem</i> .	March 31st, 1946.
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.	....	....	The <i>ad valorem</i> rates of duty applicable to the fabric of which the article is wholly or mainly made.	The duration applicable to the fabric of which the article is wholly or mainly made.
	Bed sheets.						
	Bedspreads.						
	Bolster cases.						
	Counterpanes.						
	Cloths, table.						
	Cloths, tray.						
	Covers, bed.						
	Covers, table.						
	Dusters.						
	Glass-cloths.						
	Handkerchiefs.						
	Napkins.						
	Pillow cases.						
	Pillow slips.						
	Scarves.						
	Shirts.						
	Shawls.						
	Sacks (cotton).						
	Towels.						
	Umbrella Coverings.						

\* Under Government of India, Commerce Department, Notification No. 341-T. (6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50 per cent. *ad valorem* or 5½ annas per square yard, whichever is higher plus one-fifth of the total duty.

† Under Government of India, Commerce Department, Notification No. 341-T. (6)/41, dated the 21st July, 1941, the articles assessable under this sub-item are liable to duty at 50 per cent. *ad valorem* or 7 annas per square yard, whichever is higher plus one-fifth of the total duty.

‡ Under Government of India, Commerce Department, Notification No. 20-T. (17)/39, dated the 16th April, 1940, the articles assessable under this sub-item are liable to duty at 18 per cent. *ad valorem*.

§ Under Government of India, Commerce Department, Notification No. 20-T. (17)/39, dated the 16th April, 1940, the articles assessable under this sub-item are liable to duty at 15 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XI—<i>contd.</i></b>							
<b>TEXTILE MATERIALS AND TEXTILE GOODS—<i>contd.</i></b>							
49(1)	FRENDS, being <i>bona fide</i> remnants of piecegoods or other fabrics—					24 per cent. <i>ad valorem</i> .	
	(a) of materials liable to duty under Item 48(3), not exceeding 4 yards in length.	Preferential revenue.	42 per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i> .	.....	.....	.....
	(b) of materials liable to duty under Item 48, 48(1), 48(4), or 48(5), not exceeding 2½ yards in length.	Preferential revenue.	42 per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i> .	.....	.....	.....
	(c) of other materials, not exceeding 4 yards in length.	Preferential revenue.	42 per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i> .	.....	.....	.....
49(2)	RIBBONS .. .. .	Revenue ..	60 per cent. <i>ad valorem</i> .	.....	.....	24 per cent. <i>ad valorem</i> .	.....
49(3)	BLANKETS AND RUGS (other than floor rugs), excluding blankets and rugs made wholly or mainly from artificial silk.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
49(4)	WOOLLEN CARPETS, FLOOR RUGS, SHAWLS AND OTHER MANUFACTURES OF WOOL, not otherwise specified, including felt.*	Preferential revenue.	42 per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i> .	.....	18 per cent. <i>ad valorem</i> .	.....
49(5)	COTTON BRAIDS OR CORDS, the following, namely— Ghoosis and Muktakesis.	Protective ..	7½ annas per lb.	.....	.....	Free.	March 31st, 1946.
50	JUTE MANUFACTURES, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
50(1)	SECOND HAND OR USED GUNNY BAGS OR CLOTH made of Jute.	.....	Free .. .. .	.....	.....	.....	.....
50(2)	HEMP MANUFACTURES .. .. .	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
50(3)	COTTON, HAIR AND CANVAS PLY belting for machinery.	Revenue ..	7½ per cent. <i>ad valorem</i> .	.....	.....	Free	.....
50(4)	ROPES, cotton .. .. .	.....	Free .. .. .	.....	.....	.....	.....
50(5)	OIL CLOTH AND FLOOR CLOTH .. .. .	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
50(6)	CORDAGE, ROPE AND TWINE OF VEGETABLE FIBRE other than jute and cotton, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
50(7)	MATS AND MATTINGS, not otherwise specified	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
50(8)	COIR FIBRE, COIR YARN AND COIR MATS AND MATTING.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	.....	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	.....
	<i>Tariff value —</i>						
	Per cwt.						
	Rs. a. p.						
	Coir fibre .. .. .		14 0 0				
51	SOCKS AND STOCKINGS made wholly or mainly from silk or artificial silk.	Revenue ..	60 per cent. <i>ad valorem</i> .	.....	.....	24 per cent. <i>ad valorem</i> .	.....
51(1)	WOOLLEN HOSIERY AND WOOLLEN KNITTED APPAREL, that is to say, all hosiery and knitted apparel containing not less than 15 per cent. of wool by weight.	Revenue ..	25 per cent. <i>ad valorem</i> or Re. 1-2 per lb., whichever is higher plus one-fifth of the total duty.	.....	.....	12 per cent. <i>ad valorem</i> .	.....
51(2)	COTTON KNITTED APPAREL, including apparel made of cotton interlocking material, cotton undershirts, knitted or woven, and cotton socks and stockings—					12 per cent. <i>ad valorem</i> .	
	(a) of a weight not exceeding 4 lbs. per dozen.	Protective ..	25 per cent. <i>ad valorem</i> or 12 annas per lb., whichever is higher plus one-fifth of the total duty.	.....	.....	.....	March 31st, 1946.
	(b) of a weight exceeding 4 lbs. per dozen..	Protective ..	25 per cent. <i>ad valorem</i> or 10 annas per lb., whichever is higher plus one-fifth of the total duty.	.....	.....	.....	March 31st, 1946.
51(3)	COTTON KNITTED FABRIC .. .. .	Protective ..	50 per cent. <i>ad valorem</i> or 12 annas per lb., whichever is higher plus one-fifth of the total duty.	.....	.....	24 per cent. <i>ad valorem</i> .	March 31st, 1946.
52	APPAREL, HOSIERY, HABERDASHERY, MILLINERY AND DRAPEY, not otherwise specified.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
52(1)	SILK OR ARTIFICIAL SILK GOODS used or required for medical purposes, namely:— silk or artificial silk ligatures; elastic silk or artificial silk hosiery, elbow pieces, thigh pieces, knee caps, leggings, socks, anklets, stockings, suspensory bandages, silk or artificial silk abdominal belts, silk or artificial silk web catheter tubes, and oiled silk or artificial silk.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, woollen waste and rags are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XI—<i>concl.</i></b>							
<b>TEXTILE MATERIALS AND TEXTILE GOODS—<i>concl.</i></b>							
52(2)	UNIFORMS AND ACCOUTREMENTS APPERTAINING THERETO, imported by a public servant for his personal use.	....	Free .. .. .	....	....	....	....
52(3)	INSIGNIA AND BADGES of official British and Foreign Orders.	....	Free .. .. .	....	....	....	....
53	TEXTILE MANUFACTURES, not otherwise specified.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
53(1)	RAGS AND OTHER PAPER-MAKING MATERIALS excluding wood pulp.	....	Free .. .. .	....	....	....	....
<b>SECTION XII,</b>							
<b>FOOTWEAR, HATS, UMBRELLAS AND PARASOLS; ARTICLES OF FASHION.</b>							
54	BOOTS AND SHOES .. .. .	Revenue	25 per cent. <i>ad valorem</i> or six annas per pair, whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	....
54(1)*	....	....	....	....	....	....	....
54(2)	UPPERS FOR BOOTS AND SHOES unless entirely made of leather.	Revenue	25 per cent. <i>ad valorem</i> or three annas per pair, whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	....
55	HATS, CAPS, BONNETS AND HATTERS' WARE, not otherwise specified.	Revenue	80 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
56	PARASOLS AND SUNSHADES AND FITTINGS for umbrellas, parasols and sunshades.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
56(1)	UMBRELLAS .. .. .	Revenue	25 per cent. <i>ad valorem</i> or eight annas each, whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	....
57*	....	....	....	....	....	....	....
<b>SECTION XIII.</b>							
<b>WARES OF STONE AND OF OTHER MINERAL MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE.</b>							
58	ARTICLES MADE OF STONE OR MARBLE ..	Revenue	80 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
58(1)	ASBESTOS MANUFACTURES, not otherwise specified.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
58(2)	PACKING—ENGINE AND BOILER—all sorts, not otherwise specified.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
59	BUILDING AND ENGINEERING MATERIALS, all sorts not of iron, steel or wood, not otherwise specified, including tiles other than glass, earthenware or porcelain tiles, and firebricks not being component parts of any articles included in Item No. 72 or No. 74(2).†	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
59(1)	BUILDING AND ENGINEERING BRICKS ..	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	..
59(2)	EARTHENWARE, CHINA AND PORCELAIN, all sorts not otherwise specified.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
59(3)	EARTHENWARE PIPES AND SANITARY WARE..	Revenue	30 per cent. <i>ad valorem</i> .	....	....	12 per cent. <i>ad valorem</i> .	....
59(4)	TILES OF EARTHENWARE AND PORCELAIN ..	Revenue	25 per cent. <i>ad valorem</i> or two annas per square foot, whichever is higher plus one-fifth of the total duty.	....	....	12 per cent. <i>ad valorem</i> .	....

\* There are no entries bearing Item Nos. 54(1) and 57.

† Under Government of India, Finance Department (Central Revenues), Notification No. 39 dated the 22nd June, 1935, sand is exempt from payment of import duty.



SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
	<b>SECTION XIII—<i>contd.</i></b>						
	<b>WARES OF STONE AND OF OTHER MINERAL MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE—<i>contd.</i></b>						
59(5)	DOMESTIC EARTHENWARE, china and porcelain, the following, namely:—					12 per cent. <i>ad valorem</i> .	
	(a) Tea cups and coffee cups—						
	(i) having a capacity of more than 7½ ozs.	Revenue	25 per cent. <i>ad valorem</i> or ten annas per dozen, whichever is higher plus one-fifth of the total duty.				
	(ii) having a capacity of not more than 7½ ozs.	Revenue	25 per cent. <i>ad valorem</i> or four annas per dozen, whichever is higher plus one-fifth of the total duty.				
	(b) Saucers—						
	(i) for use with tea cups or coffee cups having a capacity of more than 7½ ozs.	Revenue	25 per cent. <i>ad valorem</i> or five annas per dozen, whichever is higher plus one-fifth of the total duty.				
	(ii) for use with tea cups or coffee cups having a capacity of not more than 7½ ozs.	Revenue	25 per cent. <i>ad valorem</i> or two annas per dozen, whichever is higher plus one-fifth of the total duty.				
	(c) Tea-pots—						
	(i) having a capacity of more than 20 ozs.	Revenue	25 per cent. <i>ad valorem</i> or Rs. 8 per dozen, whichever is higher plus one-fifth of the total duty.				
	(ii) having a capacity of more than 10 ozs. and not more than 20 ozs.	Revenue	25 per cent. <i>ad valorem</i> or Re. 1-8 per dozen, whichever is higher plus one-fifth of the total duty.				
	(iii) having a capacity of not more than 10 ozs.	Revenue	25 per cent. <i>ad valorem</i> or twelve annas per dozen, whichever is higher plus one-fifth of the total duty.				
	(d) Sugar-bowls	Revenue	25 per cent. <i>ad valorem</i> or Re. 1-8 per dozen, whichever is higher plus one-fifth of the total duty.				
	(e) Jugs having a capacity of over 10 ozs.	Revenue	25 per cent. <i>ad valorem</i> or twelve annas per dozen, whichever is higher plus one-fifth of the total duty.				
	(f) Plates over 5½ inches in diameter—						
	(i) over 8½ inches in diameter	Revenue	25 per cent. <i>ad valorem</i> or Re. 1 per dozen, whichever is higher plus one-fifth of the total duty.				
	(ii) not over 8½ inches in diameter	Revenue	25 per cent. <i>ad valorem</i> or ten annas per dozen, whichever is higher plus one-fifth of the total duty.				
59(6)	COVERED CRUCIBLES FOR GLASS-MAKING	Revenue	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	
60	GLASS AND GLASSWARE, not otherwise specified, and lacquered ware.	Revenue	30 per cent. <i>ad valorem</i> .			Lacquered-ware—free; all others 12 per cent. <i>ad valorem</i> .	
60(1)	GLASS GLOBES AND CHIMNEYS for lamps and lanterns—					12 per cent. <i>ad valorem</i> .	
	(a) Globes for hurricane lanterns	Revenue	25 per cent. <i>ad valorem</i> or four annas and six pies per dozen, whichever is higher plus one-fifth of the total duty.				
	(b) Other globes and chimneys having an external base diameter of over one inch.	Revenue	25 per cent. <i>ad valorem</i> or three annas per dozen, whichever is higher plus one-fifth of the total duty.				
60(2)	ELECTRIC LIGHTING BULBS	Revenue	60 per cent. <i>ad valorem</i> .			24 per cent. <i>ad valorem</i> .	
60(3)	GLASS-BANGLES, GLASS BEADS AND FALSE PEARLS.	Revenue	60 per cent. <i>ad valorem</i> .			24 per cent. <i>ad valorem</i> .	

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XIV.</b>							
<b>REAL PEARLS, PRECIOUS STONES, PRECIOUS METALS AND WARES OF THOSE MATERIALS; COIN (SPECIE).</b>							
61	PRECIOUS STONES, unset and imported uncut, and Pearls, unset.		Free				
61(1)	PRECIOUS STONES, unset and imported cut*	Revenue	30 per cent. <i>ad valorem</i> .				
61(2)	SILVER BULLION AND SILVER SHEETS AND PLATES which have undergone no process of manufacture subsequent to rolling.†	Revenue	Three annas and seven and one-fifth pies 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	60 per cent. <i>ad valorem</i> .			24 per cent. <i>ad valorem</i> .	
61(5)	SILVER THREAD AND WIRE (including so-called gold thread and wire mainly made of silver) and silver leaf including also imitation gold and silver thread and wire, lametta and metallic spangles and articles of a like nature, of whatever metal made.‡	Protective	75 per cent. <i>ad valorem</i> .			24 per cent. <i>ad valorem</i> .	March 31st, 1946.
61(6)	GOLD PLATE, GOLD LEAF AND GOLD MANUFACTURES, all sorts not otherwise specified.	Revenue	60 per cent. <i>ad valorem</i> .			24 per cent. <i>ad valorem</i> .	
61(7)	GOLD OR GOLD-PLATED PEN NIBS	Revenue	60 per cent. <i>ad valorem</i> .			24 per cent. <i>ad valorem</i> .	
61(8)	ARTICLES, other than cutlery and surgical instruments, plated with gold or silver.§	Revenue	60 per cent. <i>ad valorem</i> .			24 per cent. <i>ad valorem</i> .	
61(9)	CUTLERY, plated with gold or silver	Revenue	60 per cent. <i>ad valorem</i> .			24 per cent. <i>ad valorem</i> .	
61(10)	JEWELLERY AND JEWELS‖	Revenue	60 per cent. <i>ad valorem</i> .			24 per cent. <i>ad valorem</i> .	
62	CURRENT COIN OF THE GOVERNMENT OF INDIA.		Free				
62(1)	SILVER COIN, not otherwise specified	Revenue	Three annas and seven and one-fifth pies per ounce.				
62(2)	GOLD COIN		Free				
<b>SECTION XV.</b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM.</b>							
63	IRON OR STEEL, old††	Revenue	18½ per cent. <i>ad valorem</i> .			Free	
	<i>Tariff value—</i>						
	Per cwt.						
	Ra. a. p.						
	1 8 0						
	Iron or steel, old for remelting.						
63(1)	IRON ALLOYS, viz., ferro-manganese, ferro-silicon, ferro-chrome, spiegeleisen and the like as commonly used for steel making.	Revenue	18½ per cent. <i>ad valorem</i> .			Free	
63(2)	IRON OR STEEL ANGLE, CHANNEL, TEE, FLAT, BEAM, ZED, TROUGH AND PILING—					Free	
	(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 plus one-fifth of the total duty.				March 31st, 1946.
	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 plus one-fifth of the total duty.				March 31st, 1946.
	(ii) not of British manufacture	Protective	1½ times the excise duty leviable for the time being on steel ingots produced in British India‖ plus Ra. 43 per ton plus one-fifth of the total duty.				March 31st, 1946.

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, precious stones imported cut and unset are liable to duty at 6 per cent. *ad valorem*.

† The rate of excise duty on the 1st January, 1945, and until further notice, on all silver produced in silver works in British India, is 3 annas and 7½ pies per ounce Troy.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, all the articles included in this item are liable to duty at 60 per cent. *ad valorem*.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, articles of imitation jewellery (including buttons and other fasteners) which consist of, or include, base metal plated with gold or silver or both and in which the proportion of gold or silver or both together to total metallic contents is less than 1.5 per cent., are liable to duty which would have been leviable had they contained no gold or silver.

‖ Under Government of India, Finance Department (Central Revenues), Notification No. 80-C, dated the 4th October, 1941, as amended subsequently, iron and steel, old, covered by this item when imported from Burma, are exempt from payment of import duty.

¶ The rate of excise duty on the 1st January, 1945, and until further notice on all steel ingots produced in British India is Ra. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XV—<i>contd.</i></b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i></b>							
(b) 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 plus one-fifth of the total duty.	.....	.....	Free ..	March 31st, 1946.
	(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 plus one-fifth of the total duty.	.....	.....	Free ..	March 31st, 1946.
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 plus one-fifth of the total duty.	.....	.....	Free ..	March 31st, 1946.
	(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; or 20 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....	Free ..	March 31st, 1946.
63(4)	IRON, pig .. .. .	Revenue ..	18½ per cent. <i>ad valorem</i> .	.....	.....	Free ..	.....
63(5)	IRON RICE BOWLS .. .. .	Revenue ..	18½ per cent. <i>ad valorem</i> .	.....	.....	Free ..	.....
63(6)	CAST IRON PIPES AND TUBES; also cast iron fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like—						
	(i) of British manufacture† .. .. .	Protective ..	12 per cent. <i>ad valorem</i> .	.....	.....	Free ..	March 31st, 1946.
	(ii) not of British manufacture .. .. .	Protective ..	Rs. 69-0-0 per ton ..	.....	.....	Free ..	March 31st, 1946.
63(7)	CAST IRON PLATES .. .. .	Revenue ..	18½ per cent. <i>ad valorem</i> .	.....	.....	Free ..	.....
63(8)	STEEL INGOTS .. .. .	Revenue ..	The excise duty leviable for the time being on steel ingots produced in British India; or 15½ per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.	.....	.....	Free ..	.....
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), 75(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 plus one-fifth of the total duty.	.....	.....	Free ..	March 31st, 1946.
	(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 plus one-fifth of the total duty.	.....	.....	Free ..	March 31st, 1946.
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 plus one-fifth of the total duty.	.....	.....	Free ..	March 31st, 1946.

\* The rate of excise duty on the 1st January, 1945, 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, as amended subsequently, cast iron fittings for cast iron pipes and tubes, that is to say, bends, boots, elbows, tees, sockets, plugs, valves, cocks and the like of British manufacture are exempt from so much of the duty as is in excess of Rs. 69 per ton.

‡ Under Government of India, Finance Department (Central Revenue), Notification No. 33, dated the 22nd June, 1935, iron or steel billets are exempt from payment of the alternative *ad valorem* duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XV—<i>contd.</i></b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i></b>							
	(ii) not of British manufacture .. ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 50 per ton plus one-fifth of the total duty.	....	....	Free ..	March 31st, 1946.
63(11)	IRON OR STEEL ANCHORS AND CABLES .. ..	Revenue ..	18½ per cent. <i>ad valorem</i> .	....	....	Free ..	....
63(12)	A. IRON OR STEEL BOLTS AND NUTS, including hookbolts and nuts for roofing but excluding fish bolts and nuts—					Free ..	
	(i) of British manufacture† .. ..	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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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. plus one-fifth of the total duty.	....	..		March 31st, 1946.
	B. IRON OR STEEL FISH BOLTS AND NUTS—					Free ..	
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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. plus one-fifth of the total duty.	..	....		March 31st, 1946.
63(13)	IRON OR STEEL EXPANDED METAL .. ..	Revenue ..	18½ per cent. <i>ad valorem</i> .	....	....	Free ..	....
63(14)	IRON OR STEEL HOOPS AND STRIPS .. ..	Preferential revenue.	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....	Free ..	....
63(15)	IRON OR STEEL RIVETS—					Free ..	
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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. plus one-fifth of the total duty.	...	....		March 31st, 1946.
63(16)	IRON OR STEEL NAILS AND WASHERS, all sorts not otherwise specified.	Revenue ..	18½ per cent. <i>ad valorem</i> .	....	....	Free ..	....
63(17)	IRON OR STEEL PIPES AND TUBES AND FITTINGS THEREFOR, if riveted or otherwise built up of plates or sheets—					Free ..	
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.

\* The rate of excise duty on the 1st January, 1945, 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. 83, dated the 22nd June, 1935, iron or steel bolts and nuts of British manufacture, including hook-bolts and nuts for roofing but excluding fish bolts and nuts are exempt from so much of the duty as is in excess of Rs. 44-11½ per ton.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 39, dated the 22nd June, 1935, iron or steel rivets of British manufacture are exempt from so much of the duty as is in excess of Rs. 52-3½ per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XV—<i>contd.</i></b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i></b>							
68(16)	IRON OR STEEL PIPES AND TUBES; also fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like, excluding pipes, tubes and fittings therefor otherwise specified.	Revenue	18½ per cent. <i>ad valorem</i> .			Free	
68(19)	IRON OR STEEL PLATES EXCLUDING CAST IRON PLATES—					Free	
	(a) not fabricated—						
	(i) of British manufacture*—						
	not coated with other metals.	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 plus one-fifth of the total duty.				March 31st 1946.
	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 plus one-fifth of the total duty.				March 31st, 1946.
	(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 plus one-fifth of the total duty.				March 31st, 1946.
	(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 plus one-fifth of the total duty.				March 31st, 1946.
	(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 plus one-fifth of the total duty.				March 31st 1946.
68(20)	IRON OR STEEL SHEETS—					Free	
	(a) not fabricated—						
	(1) not 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 plus one-fifth of the total duty.				March 31st 1946.
	(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 plus one-fifth of the total duty.				March 31st 1946.
	(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. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher plus one-fifth of the total duty.				March 31st 1946.
	(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 plus one-fifth of the total duty.				March 31st, 1946.

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, iron or steel plates of British manufacture, assessable under this sub-item are exempt from so much of the duty as is in excess of Rs. 36-6½ per ton.

† The rate of excise duty on the 1st January, 1945, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, iron or steel sheets of British manufacture assessable under that sub-item are exempt from so much of the duty as is in excess of Rs. 44-12½ per ton.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, iron or steel sheets of British manufacture assessable under this sub-item are exempt from so much of the duty as is in excess of Rs. 54-6 2/5 per ton.

SCHEDULE I—IMPORT-TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
	<b>SECTION XV—<i>contd.</i></b>						
	<b>BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i></b>						
	(b) fabricated—						
	(1) not galvanized—						
	(i) of British manufacture*	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 plus one-fifth of the total duty.	....	....	Free	March 31st, 1946.
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
69(21)	<b>IRON OR STEEL RAILWAY TRACK MATERIAL—</b>						
	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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	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 plus one-fifth of the total duty.	....	....		March 31st, 1946.

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, iron or steel sheets of British manufacture assessable under this sub-item are exempt from so much of the duty as is in excess of Rs. 49-3 1/5 per ton.

† The rate of excise duty on the 1st January, 1945, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, iron or steel sheets of British manufacture assessable under this sub-item are exempt from so much of the duty as is in excess of Rs. 60 per ton.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 80-C., dated the 4th October, 1941, as amended subsequently, used iron or steel railway track material, covered by this item, when imported from Burma, are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XV—<i>contd.</i></b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i></b>							
	(i) 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 plus one-fifth of the total duty.	....	....	Free ..	March 31st 1946.
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
<b>C. Sleepers, and sleeper bars, other than cast iron—</b>							
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
<b>D. Spikes (other than dog-spikes) and tie-bars—</b>							
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
<b>E. Dog-spikes—</b>							
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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. plus one-fifth of the total duty.	....	....		March 31st, 1946.
<b>F. Gibs, cotters, keys (including tapered key bars), distance pieces and other fastenings for use with iron or steel sleepers—</b>							
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.

\* The rate of excise duty on the 1st January, 1945, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

† Under Government of India, Finance Department (Central Revenues), Notification No. 80-C, dated the 4th October, 1941, as amended subsequently, used iron or steel railway track material, covered by this item, when imported from Burma, are exempt from payment of import duty.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, iron or steel sleeper bars other than cast iron are exempt from payment of the alternative *ad valorem* duty.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 80-C, dated the 4th October, 1941, as amended subsequently used iron or steel railway or tramway track material covered by these items when imported from Burma, are exempt from payment of import duty.



SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XV—<i>contd.</i></b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i></b>							
	(ii) not of British manufacture	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. plus one-fifth of the total duty.	....	....	Free	March 31st, 1946.
63(22)	IRON OR STEEL RAILWAY TRACK MATERIALS,† not otherwise specified, including bearing plates, cast iron sleepers and lever boxes.	Revenue	18½ per cent. <i>ad valorem</i> .	....	....	Free	....
63(23)	IRON OR STEEL TRAMWAY TRACK MATERIALS,† not otherwise specified, including rails, fish-plates, tie-bars, switches, crossings and the like materials of shapes and sizes specially adapted for tramway tracks.	Revenue	18½ per cent. <i>ad valorem</i> .	....	....	Free	....
63(24)	IRON OR STEEL BARBED OR STRANDED WIRE AND WIRE ROPE.	Preferential revenue.	24 per cent. <i>ad valorem</i> .	12 per cent. <i>ad valorem</i> .	....	Free	....
63(25)	IRON OR STEEL WIRE, other than barbed or stranded wire, wire rope or wire netting; and iron or steel wire nails—					Free	
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
63(26)	IRON OR STEEL (other than bar or rod) specially designed for the reinforcement of concrete.	Revenue	18½ per cent. <i>ad valorem</i> .	....	....	Free	....
63(27)	IRON OR STEEL, the original material (but not including machinery) of any ship or other vessel intended for inland or harbour navigation which has been assembled abroad, taken to pieces and shipped for reassembly in India—					Free	
	(i) of British manufacture	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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
	(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 plus one-fifth of the total duty.	....	....		March 31st, 1946.
Provided that articles dutiable under this item shall not be deemed to be dutiable under any other item.							
63(28)	ALL SORTS OF IRON AND STEEL AND MANUFACTURES THEREOF, not otherwise specified.	Revenue	30 per cent. <i>ad valorem</i> .	....	....	Free	....
<i>Tariff values—</i>							
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. 1 2 0							
Per can or drum.							
Cans or drums, not tinned, of two gallons capacity—							
(a) with faucet caps .. 2 0 0							
(b) ordinary .. 0 12 0							

\* The rate of excise duty on the 1st January, 1945, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

† Under Government of India, Finance Department (Central Revenues), Notification No. 80-C, dated the 4th October 1941, as amended subsequently, used iron or steel railway or tramway track material, covered by these items, when imported from Burma, are exempt from payment of import duty

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XV—<i>contd.</i></b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i></b>							
	Drums of four gallons capacity—	Per drum.					
	(a) with faucet caps ..	Ra. s. p. 2 12 0					
	(b) ordinary ..	1 8 0					
63(29)	ENAMELLED IRONWARE, the following, namely:—					Free	
	(a) Sign-boards ..	Revenue	25 per cent. <i>ad valorem</i> or four and a half annas per square foot, whichever is higher plus one-fifth of the total duty.				
	(b) Domestic hollow-ware, the following, namely, basins, bowls, dishes, plates and thales, including rice-cups, rice-bowls and rice-plates—						
	(i) having no diameter exceeding 19 centimetres.	Revenue	25 per cent. <i>ad valorem</i> or per dozen four annas plus one anna for every two centimetres or part thereof by which any diameter exceeds 11 centimetres, whichever is higher plus one-fifth of the total duty.				
	(ii) having any diameter exceeding 19 centimetres.	Revenue	25 per cent. <i>ad valorem</i> or per dozen eight annas plus two annas for every two centimetres or part thereof by which any diameter exceeds 19 centimetres, whichever is higher plus one-fifth of the total duty.				
64	COPPER, wrought, and manufactures of copper, all sorts, not otherwise specified.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i> .		Free	
64(1)	COPPER, scrap* ..	Revenue	30 per cent. <i>ad valorem</i> .			Free	
65	GERMAN SILVER including nickel silver* ..	Revenue	30 per cent. <i>ad valorem</i> .			Free	
66	ALUMINIUM—circles, sheets and other manufactures, not otherwise specified.*	Revenue	30 per cent. <i>ad valorem</i> .			Free	
66(1)	UNWROUGHT INGOTS, BLOCKS AND BARS OF ALUMINIUM.*	Revenue	30 per cent. <i>ad valorem</i> .			Free	
67	LEAD, wrought—the following articles, namely, pipes and tubes and sheets other than sheets for tea chests.*	Revenue	30 per cent. <i>ad valorem</i> .			Free	
67(1)	LEAD SHEETS FOR TEA CHESTS* ..	Revenue	30 per cent. <i>ad valorem</i> .			Free	
68	ZINC OR SPELTER, wrought or manufactured, not otherwise specified.*	Revenue	30 per cent. <i>ad valorem</i> .			Free	
68(1)	ZINC, unwrought, including cakes, ingots, tiles (other than boiler tiles), hard or soft slabs and plates, dust, dross and ashes; and broken zinc.*		Free				
69	TIN, BLOCK* ..	Revenue	Ra. 375 per ton			Free	
70	BRASS, BRONZE AND SIMILAR ALLOYS, wrought, and manufactures thereof, not otherwise specified.*	Revenue	30 per cent. <i>ad valorem</i> .			Free	
70(1)	ALL SORTS OF METALS OTHER THAN IRON AND STEEL, AND MANUFACTURES THEREOF, not otherwise specified.*†	Revenue	30 per cent. <i>ad valorem</i> .			Free	

\* Under Government of India, Finance Department (Central Revenues), Notification No. 80-C., dated the 4th October, 1941, waste and scrap of base metals when imported from Burma, are exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, radium is exempt from payment of import duty.

## 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.	Durma.	
<b>SECTION XV—concl.</b>							
<b>BASE METALS AND ARTICLES MADE THEREFROM—concl.</b>							
71	<b>HARDWARE, IRONMONGERY AND TOOLS</b> , all sorts not otherwise specified, including incandescent mantles but excluding machine tools and agricultural implements.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
	<i>Tariff value—</i> Crown corks (except those bearing monogram or trade mark or name of an importer).		Per gross. Rs. a. p. 1 6 0				
71(1)	THE FOLLOWING <b>HARDWARE, IRONMONGERY AND TOOLS</b> , namely, agricultural implements not otherwise specified, buckets of tinned or galvanized iron, and pruning-knives.	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
71(2)	<b>CUTLERY</b> , all sorts not otherwise specified ..	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
71(3)	<b>METAL FURNITURE AND CABINETWARE</b> ..	Revenue ..	30 per cent. <i>ad valorem</i> .	.....	.....	12 per cent. <i>ad valorem</i> .	.....
71(4)	<b>PRINTING TYPE</b> ..	Revenue ..	One anna and six pies per lb.	.....	.....	Free	.....
71(5)	THE FOLLOWING <b>PRINTING MATERIALS</b> , namely, leads, brass rules, wooden and metal galleys, shooting sticks and galloys and metal furniture.	Revenue ..	3 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
71(6)	<b>RACKS FOR THE WITHERING OF TEA LEAF*</b> ..	Revenue ..	3 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
<b>SECTION XVI.</b>							
<b>MACHINERY AND APPARATUS; ELECTRICAL MATERIAL.</b>							
72	<b>MACHINERY</b> , 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.	Revenue ..	10 per cent. <i>ad valorem</i> .	.....	.....	Free	.....
	<i>Note.</i> —The term 'industrial system' used in sub-item (c) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.						

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently component parts of racks for the withering of tea leaf when proved to have been imported for use in racks for the withering of tea leaf are also liable to duty at 3 per cent. *ad valorem*.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, coffee pulpers and component parts thereof are exempt from payment of import duty, provided that nothing shall be deemed to be a component part of a coffee pulper for the purpose of this exemption unless it is essential for the working of such machine and has been given for that purpose some special shape or quality that would not be essential for its use for any other purpose.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
	<b>SECTION XVI—<i>contd.</i></b>						
	<b>MACHINERY AND APPARATUS; ELECTRICAL MATERIAL—<i>contd.</i></b>						
72(1)	THE FOLLOWING TEXTILE MACHINERY AND APPARATUS by whatever power operated, namely, heads; heald cords and heald knitting needles; reeds and shuttles; warp and weft preparation machinery and looms; bobbins and pirns; dobbies; jacquard machines; jacquard harness linen cords; jacquard cards; punching plates for jacquard cards; warping mills; multiple box sleys; solid border sleys; tape sleys; swivel sleys; tape looms; wool carding machines; wool spinning machines; hosiery machinery; coil mat shearing machines; coil 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>	....	....	Free	....
72(2)	PRINTING AND LITHOGRAPHIC MATERIAL, namely, presses, lithographic plates, composing sticks, chases, imposing tables, lithographic stones, stereo-blocks, wood blocks, half-tone blocks, electro-type blocks, process blocks and highly polished copper or zinc sheets specially prepared for making process blocks, roller moulds, roller frames and stocks, roller composition, lithographic nap rollers, standing screw and hot presses, perforating machines, gold blocking presses, galley presses, proof presses, arming presses, copper plate printing presses, rolling presses, ruling machines, ruling pen making machines, lead cutters, rule cutters, slug cutters, type casting machines, type setting and casting machines, paper in rolls with side perforations to be used after further perforation for type-casting, rule bending machines, rule mitring machines, bronzing machines, stereotyping apparatus, paper folding machines, paging machines but excluding ink and paper.†	Revenue	10 per cent. <i>ad valorem.</i>	....	....	Free	....
72(3)	COMPONENT PARTS OF MACHINERY as defined in Items Nos. 72, 72(1) and 72(2), namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose:  Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.	Revenue	10 per cent. <i>ad valorem.</i>	....	....	Free	....
72(4)	PASSENGER LIFTS AND COMPONENT PARTS AND ACCESSORIES THEREOF.	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....
72(5)	DOMESTIC REFRIGERATORS	Preferential revenue.	36 per cent. <i>ad valorem.</i>	24 per cent. <i>ad valorem.</i>	....	12 per cent. <i>ad valorem.</i>	....
72(6)	MACHINERY AND COMPONENT PARTS THEREOF, meaning machines or parts of machines to be worked by manual or animal labour, not otherwise specified, and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one-quarter of one-horse power.	Revenue	30 per cent. <i>ad valorem.</i>	....	....	12 per cent. <i>ad valorem.</i>	....

\* Under Government of India, Finance Department (Central Revenues), Notifications No. 33, dated the 22nd June 1935, as amended subsequently and No. 44, dated the 1st August 1942, the following textile machinery and apparatus and component parts thereof, namely: (1) ground stamping machines, (2) automatic hand-repeating machines, (3) pattern cutting machines, (4) cloth analysis machines, (5) hand card punches and (6) automatic weaver knotters are also liable to duty at 10 per cent. *ad valorem*, provided that nothing shall be deemed to be a component part of textile machinery and apparatus for the purpose of this exemption unless it is essential for the working of such machinery and apparatus and has been given for that purpose some special shape or quality that would not be essential for its use for any other purpose. Under the same Notifications jacquard harness linen cordage is liable to duty at 10 per cent. *ad valorem* or 4 annas per lb. whichever is higher and striking combs used in textile machinery at 10 per cent. *ad valorem*.

† Under Government of India, Finance Department (Central Revenues), Notifications No. 33, dated the 22nd June, 1935, as amended subsequently, and No. 44, dated the 1st August, 1942, the following printing machinery and apparatus, namely, composing racks and cases, composing cabinets, die-stamping machines, galley-racks, embossing machines, graining machines, furniture cases and racks, line-up and register tables, book sewing machines and cloth stripping machines are liable to duty at 10 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XVI—<i>contd.</i></b>							
<b>MACHINERY AND APPARATUS; ELECTRICAL MATERIAL—<i>contd.</i></b>							
72(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, fisters, 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 sterilizing or pasteurizing plant, milk arating and cooling apparatus, churns, butter dryers, butter workers, milk-bottle fillers and cappers, apparatus specially designed for testing milk and other dairy produce, and incubators; also component parts of these appliances, provided that they can be readily fitted into their proper places in the appliances for which they are imported, and that they cannot ordinarily be used for other than dairy and poultry farming purposes.†	.....	Free .. .. .	.....	.....	.....	.....
72(10)	SEWING AND KNITTING MACHINES (and parts thereof) to be worked by manual labour or which require for their operation less than one-quarter of one-horse-power.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i> .	.....	12 per cent. <i>ad valorem</i> .	.....
74	ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, not otherwise specified, excluding telegraphic and telephonic.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i> .	.....	12 per cent. <i>ad valorem</i> .	.....
73(1)	THE FOLLOWING ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, namely:—  Electrical Control Gear and Transmission Gear, namely, switches (excluding switch-boards), fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten amperes and at a pressure not exceeding 250 volts; and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which, not being one specially designed as a pilot core, has a sectional area of less than one-eighth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity; and line insulators, including also cleats, connectors, leading-in tubes and the like, of types and sizes such as are ordinarily used in connection with the transmission of power for other than industrial purposes, and the fittings thereof but excluding electrical earthenware and porcelain otherwise specified.	Preferential revenue.	36 per cent. <i>ad valorem</i> .	24 per cent. <i>ad valorem</i> .	.....	12 per cent. <i>ad valorem</i> .	.....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, the following agricultural machines and implements, namely, flame throwers for attachment to spraying machines designed for the extermination of locusts, and latex cups, are exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, (1) dairy appliances, excluding transport containers and articles included in this item, provided they are specially designed as dairy appliances and for use for milking the cow or for any subsequent process carried out in the dairy in connection with milk, cream, butter or cheese and (2) component parts of such dairy appliances, provided they can be readily fitted into their proper places in the appliances for which they are imported and they cannot ordinarily be used for other than dairy purposes are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XVI—<i>contd.</i></b>							
<b>MACHINERY AND APPARATUS; ELECTRICAL MATERIAL—<i>contd.</i></b>							
78(9)	THE FOLLOWING ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, namely, telegraphic and telephonic instruments, apparatus and appliances not otherwise specified, flash lights, carbons, condensers, and bell apparatus, and switch-boards designed for use in circuits of less than ten amperes and at a pressure not exceeding 250 volts; also accumulators, batteries and electro-medical apparatus.* † ‡	Revenue	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	
78(8)	TELEGRAPHIC INSTRUMENTS AND APPARATUS AND PARTS THEREOF, imported by, or under the orders of, a Railway Administration.	Revenue	18½ per cent. <i>ad valorem</i> .			Free.	
78(4)	WIRELESS RECEPTION INSTRUMENTS AND APPARATUS AND COMPONENT PARTS THEREOF, including all electric valves, amplifiers and loudspeakers which are not specially designed for purposes other than wireless reception or are not original parts of and imported along with instruments or apparatus so designed.*	Preferential revenue.	60 per cent. <i>ad valorem</i> .	48 per cent. <i>ad valorem</i> .		24 per cent. <i>ad valorem</i> .	
78(5)	ELECTRICAL EARTHENWARE AND PORCELAIN, the following, namely— (a) Insulators, Shackle, Sinclair, Cordesux or Pin-type, not otherwise specified— (i) fitted .. .. . (ii) not fitted .. .. . (b) Two-way cleats .. .. . (c) Spacing insulators .. .. . (d) Ceiling roses— (i) fitted .. .. . (ii) not fitted .. .. . (e) Joint-box cut-outs— (i) fitted .. .. . (ii) not fitted .. .. .	Revenue	25 per cent. <i>ad valorem</i> or Re. 1-2 per dozen, whichever is higher plus one-fifth of the total duty.			12 per cent. <i>ad valorem</i> .	
		Revenue	25 per cent. <i>ad valorem</i> or fourteen annas per dozen, whichever is higher plus one-fifth of the total duty.				
		Revenue	25 per cent. <i>ad valorem</i> or four annas per gross of pairs, whichever is higher plus one-fifth of the total duty.				
		Revenue	25 per cent. <i>ad valorem</i> or two annas per gross, whichever is higher plus one-fifth of the total duty.				
		Revenue	25 per cent. <i>ad valorem</i> or ten annas per dozen, whichever is higher plus one-fifth of the total duty.				
		Revenue	25 per cent. <i>ad valorem</i> or eight annas per dozen, whichever is higher plus one-fifth of the total duty.				
		Revenue	25 per cent. <i>ad valorem</i> or eight annas per dozen, whichever is higher plus one-fifth of the total duty.				
		Revenue	25 per cent. <i>ad valorem</i> or six annas per dozen, whichever is higher plus one-fifth of the total duty.				
78(6)	RUBBER-INSULATED COPPER WIRES AND CABLES, no core of which, other than one specially designed as a pilot core, has a sectional area of less than one-eightieth part of a square inch, whether made with any additional insulating or covering material or not.	Revenue	7½ per cent. <i>ad valorem</i> .			Free.	

\* Under Government of India, Finance Department (Central Revenues), Notification No. 35, dated the 22nd June, 1935, as amended subsequently the following wireless apparatus is liable to duty at 3 per cent. *ad valorem*—

- (i) apparatus for wireless reception [excluding apparatus specially designed for the reception of broadcast wireless and apparatus of the description specified in clause (ii)] and component parts of such apparatus, when imported under cover of (a) a certificate issued by the Director-General of Posts and Telegraphs to the effect that he is satisfied that the apparatus will not be used for the reception of broadcast wireless or (b) a certificate to the same effect issued by the Director-General, All-India Radio, if the apparatus is imported for the All-India Radio, by the Officer Commanding, Aircraft Depot, Royal Air Force (India), if the apparatus is imported by the Royal Air Force, by the following officers, if the apparatus is imported by the Royal Indian Navy, namely—at Bombay, by the Naval Store Officer; at Karachi, by the Sea Transport Officer; and at Calcutta and Madras, by the Agent for Government Consignments concerned, and by the following officers, if imported for the Army, namely—at Karachi, by the Embarkation Supply and Stores Officer, Kiamari; at Bombay, by the Ordnance Officer, Bombay Depot; at Calcutta, by the Embarkation Supply and Stores Officer at that port, and at other ports, by the Agent for Government Consignments concerned;
- (ii) apparatus for wireless reception incorporated in a single unit with transmitting apparatus;
- (iii) wireless transmission apparatus and component parts thereof;

Provided that nothing shall be deemed to be a component part of apparatus for wireless telegraphy or telephony for the purpose of this exemption unless it is essential for the working of such apparatus and has been given for that purpose some special shape or quality that would not be essential for its use for any other purpose.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, telegraphic instruments and apparatus and parts thereof imported for supply from bond for use of a Railway Administration are liable to duty at 18½ per cent. *ad valorem*, provided that (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. 35, dated the 22nd June, 1935, as amended subsequently, carbon blocks such as are ordinarily used for the manufacture of carbon brushes for electrical motors and generators are liable to duty at 18 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XVII.</b>							
<b>TRANSPORT MATERIAL.</b>							
74	COAL TUBS, TIPPING WAGONS AND THE LIKE CONVEYANCES, designed for use on light rail track, if adapted to be worked by manual or animal labour and if made mainly of iron or steel; and component parts thereof made of iron or steel—					Free	
	(a) of British manufacture .. .. .	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 plus one-fifth of the total duty.				March 31st, 1946.
	(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 plus one-fifth of the total duty.				March 31st, 1946.
74(1)	TRAMCARS AND COMPONENT PARTS AND ACCESSORIES THEREOF.	Revenue ..	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	
74(2)	RAILWAY MATERIALS FOR PERMANENT-WAY AND ROLLING-STOCK, namely, sleepers, other than iron and steel, and fastenings thereof; bearing plates, chairs, interlocking apparatus, brake-gear, shunting skids, couplings and springs, signals, turn-tables, weigh-bridges, carriages, wagons, traversers, rail removers, scooters, trolleys, trucks; also cranes, water-cranes and water-tanks when imported by or under the orders of a railway administration: Provided that for the purpose of this entry 'railway' means a line of railway subject to the provisions of the Indian Railways Act, 1890, and includes a railway constructed in a State in India and also such tramways as the Central Government may, by notification in the <i>Official Gazette</i> specifically include therein: Provided also that articles of machinery as defined in Item No. 72 or No. 72(3) shall not be deemed to be included hereunder.	Revenue ..	18½ per cent. <i>ad valorem</i> .			Free	
74(3)	COMPONENT PARTS OF RAILWAY MATERIALS, as defined in Item No. 74(2), namely, such parts only as are essential for the working of railways and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose: Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the railway material to which they belong, if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.	Revenue ..	18½ per cent. <i>ad valorem</i> .			Free	
75	CONVEYANCES, not otherwise specified, and component parts and accessories thereof; also motor vans and motor lorries imported complete.	Revenue ..	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	
75(1)	MOTOR CARS INCLUDING TAXI CABS AND ARTICLES (other than rubber tyres and tubes) adapted for use as parts and accessories thereof, provided that such articles as are ordinarily also used for other purposes than as parts and accessories of motor vehicles included in this Item or in Items Nos. 75(2) and 75(3) shall be dutiable at the rate of duty specified for such articles.	Preferential revenue.	45 per cent. <i>ad valorem</i> .	36 per cent. <i>ad valorem</i> .		24 per cent. <i>ad valorem</i> .	
75(2)	MOTOR CYCLES AND MOTOR SCOOTERS AND ARTICLES (other than rubber tyres and tubes) adapted for use as parts and accessories thereof except such articles as are also adapted for use as parts and accessories of motor cars.	Preferential revenue.	45 per cent. <i>ad valorem</i> .	36 per cent. <i>ad valorem</i> .		24 per cent. <i>ad valorem</i> .	
75(3)	MOTOR OMNIBUSES; chassis of motor omnibuses, motor vans and motor lorries; and parts of mechanically propelled vehicles and accessories not otherwise specified, excluding rubber tyres and tubes and such parts and accessories of motor vehicles included in this item as are also adapted for use as parts and accessories of motor cars.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	21 per cent. <i>ad valorem</i> .		6 per cent. <i>ad valorem</i> .	
75(4)	CARRIAGES AND CARTS which are not mechanically propelled, not otherwise specified, and parts and accessories thereof; excluding rubber tyres and tubes.	Revenue ..	30 per cent. <i>ad valorem</i> .			12 per cent. <i>ad valorem</i> .	

\* The rate of excise duty on the 1st January 1945, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.



SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XVII—<i>concl'd.</i></b>							
<b>TRANSPORT MATERIAL—<i>concl'd.</i></b>							
75(5)	CYCLES (other than motor cycles) imported entire or in sections, and parts and accessories thereof; excluding rubber tyres and tubes.	Preferential revenue.	36 per cent. <i>ad valorem.</i>	24 per cent. <i>ad valorem.</i>	.....	12 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	3 per cent. <i>ad valorem.</i>	.....	.....	Free	.....
76(1)	SHIPS AND OTHER VESSELS† FOR INLAND AND HARBOUR NAVIGATION, including steamers, launches, boats and barges imported entire or in sections:	Revenue	18½ per cent. <i>ad valorem.</i>	.....	.....	Free	.....
	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.						
76(2)	LIGHT SHIPS	.....	Free	.....	.....	.....	.....
76(3)	FURNITURE TACKLE AND APPAREL, not otherwise described, for steam-sailing, rowing and other vessels.	Revenue	30 per cent. <i>ad valorem.</i>	.....	.....	12 per cent. <i>ad valorem.</i>	.....
<b>SECTION XVIII.</b>							
<b>SCIENTIFIC AND PRECISION INSTRUMENTS AND APPARATUS; WATCH-MAKERS' AND CLOCKMAKERS' WARES; MUSICAL INSTRUMENTS.</b>							
77	INSTRUMENTS, APPARATUS AND APPLIANCES, other than electrical, all sorts not otherwise specified, including photographic.‡	Preferential revenue.	36 per cent. <i>ad valorem.</i>	24 per cent. <i>ad valorem.</i>	.....	12 per cent. <i>ad valorem.</i>	.....
77(1)	INSTRUMENTS, APPARATUS AND APPLIANCES, imported by a passenger as part of his personal baggage and in actual use by him in the exercise of his profession or calling.	.....	Free	.....	.....	.....	.....
77(2)	OPTICAL, SCIENTIFIC, PHILOSOPHICAL AND SURGICAL INSTRUMENTS, APPARATUS AND APPLIANCES.	Revenue	30 per cent. <i>ad valorem.</i>	.....	.....	12 per cent. <i>ad valorem.</i>	.....
77(3)	ARTIFICIAL TEETH	Preferential revenue.	30 per cent. <i>ad valorem.</i>	18 per cent. <i>ad valorem.</i>	.....	6 per cent. <i>ad valorem.</i>	.....
78	CLOCKS AND WATCHES AND PARTS THEREOF	Revenue	60 per cent. <i>ad valorem.</i>	.....	.....	24 per cent. <i>ad valorem.</i>	.....
79	MUSICAL INSTRUMENTS AND PARTS THEREOF, all sorts and records for talking machines.	Revenue	60 per cent. <i>ad valorem.</i>	.....	.....	24 per cent. <i>ad valorem.</i>	.....
<b>SECTION XIX.</b>							
<b>ARMS AND AMMUNITION.</b>							
80	SAVE WHERE OTHERWISE SPECIFIED, all articles which are arms or parts of arms within the meaning of the Indian Arms Act, 1878 (excluding springs used for air guns), all tools used for cleaning or putting together the same, all machines for making, loading, closing or capping cartridges for arms other than rifed arms and all other sorts of ammunition and military stores, and any articles which the Central Government may, by notification in the <i>Official Gazette</i> , declare to be ammunition or military stores for the purposes of this Act.‡	Revenue	60 per cent. <i>ad valorem.</i>	.....	.....	24 per cent. <i>ad valorem.</i>	.....
80(1)	SUBJECT TO THE EXEMPTIONS specified in Item No. 80(3)—Firearms, including gas and air guns, gas and air rifles and gas and air pistols not otherwise specified, but excluding parts and accessories thereof.‡	Revenue	Rs. 18-12 each or 37½ per cent. <i>ad valorem</i> , whichever is higher, plus 12½ per cent. <i>ad valorem</i> plus one-fifth of the total duty.	.....	.....	24 per cent. <i>ad valorem.</i>	.....

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, (1) aircraft (other than aeroplanes) such as autogyros, airships, and the like; their parts, their engines, and parts of such engines and (2) aircraft materials, such as dope, 3-ply wood, duralumin sheets and fabric which have been given for use as aircraft materials some special shape or quality which would not be essential for their use for any other purpose are liable to duty at 3 per cent. *ad valorem*.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, (a) ocean-going vessels, imported to be broken up, and (b) parts of vessels under repair removed for replacement are liable to duty at 18½ per cent. *ad valorem*, provided that articles contained in any such vessel not forming part of her necessary tackle, apparel or furniture (e.g., pianos, crockery, cutlery) shall be assessed to duty separately under the appropriate items of the Tariff.

‡ Under Government of India, Finance Department (Central Revenues), Notifications No. 33, dated the 22nd June, 1935, and No. 44, dated the 1st August, 1942, photo-litho films are liable to duty at 10 per cent. *ad valorem*.

§ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, arms forming part of military equipment of officers and non-commissioned officers of foreign armies detailed for training at Army Schools of Instruction in India are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom	A British Colony.	Burma.	
<b>SECTION XIX—<i>contd.</i></b>							
<b>ARMS AND AMMUNITION—<i>contd.</i></b>							
80(2)	SUBJECT TO THE EXEMPTIONS specified in Item No. 80(3)—					24 per cent. <i>ad valorem.</i>	
	(a) Barrels, whether single or double, for firearms, including gas and air guns, gas and air rifles, and gas and air pistols, not otherwise specified.	Revenue	Rs. 18-12 each.	or 37½ per cent. <i>ad valorem</i> , whichever is higher, plus 12½ per cent. <i>ad valorem</i> plus one-fifth of the total duty.			
	(b) Main springs and magazine springs for firearms, including gas guns, gas rifles and gas pistols.	Revenue	Rs. 6-4 each.				
	(c) Gun stocks and breech blocks .. ..	Revenue	Rs. 3-12 each.				
	(d) Revolver cylinders, for:— cartridge they will carry.	Revenue	Rs. 2-8 each.				
	(e) Actions (including skeleton and waster), breech bolts and their heads, cocking pieces, and locks for muzzle loading arms.	Revenue	Rs. 1-4 each.				
	(f) Machines for making, loading, or closing cartridges for rifled arms.	Revenue	60 per cent. <i>ad valorem.</i>				
	(g) Machines for capping cartridges for rifled arms.	Revenue	60 per cent. <i>ad valorem.</i>				
80(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 Central Government for the use of any portion of the military forces of a State in India being a unit notified in pursuance of the First Schedule to the Indian Extradition Act, 1903.						
	(e) Morris tubes and patent ammunition imported by officers commanding British and Indian regiments or volunteer corps for the instruction of their men.*						
80(4)	ORNAMENTAL ARMS OF AN OBSOLETE PATTERN—possessing only an antiquarian value; masonic and theatrical and fancy dress swords, provided they are virtually useless for offensive or defensive purposes; and dabs intended exclusively for domestic, agricultural and industrial purposes.	Revenue	30 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	
81	CARTRIDGE CASES, filled and empty .. ..	Revenue	60 per cent. <i>ad valorem.</i>			24 per cent. <i>ad valorem.</i>	
<b>SECTION XX.</b>							
<b>MISCELLANEOUS GOODS AND PRODUCTS NOT ELSEWHERE INCLUDED.</b>							
82	CORAL, prepared .. ..	Revenue	30 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	
82(1)	IVORY, manufactured, not otherwise specified..	Revenue	60 per cent. <i>ad valorem.</i>			24 per cent. <i>ad valorem.</i>	
82(2)	BANGLES AND BEADS, not otherwise specified..	Revenue	60 per cent. <i>ad valorem.</i>			24 per cent. <i>ad valorem.</i>	

\* Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as amended subsequently, .22 inch Adapters, aim teachers and aperture sights for service rifles imported by officers commanding a unit of the Army in India for the instruction of their men are also exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*concl'd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	Burma.	
<b>SECTION XX—<i>concl'd.</i></b>							
<b>MISCELLANEOUS GOODS AND PRODUCTS NOT ELSEWHERE INCLUDED—<i>concl'd.</i></b>							
83	BRUSHES, all sorts	Revenue	30 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	
84	Toys, games, playing cards and requisites for games and sports, bird shot, toy cannons, air guns and air pistols for the time being excluded in any part of British India from the operation of all the prohibitions and directions contained in the Indian Arms Act, 1878, and bows and arrows.	Revenue	60 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	
85	BUTTONS, metal	Revenue	30 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	
86(1)	SMOKERS' REQUISITES, excluding tobacco and matches:  Provided that mechanical lighters as defined in the Mechanical Lighters (Excise Duty) Act, 1934, shall be liable in addition to a duty equal to the amount of the excise duty imposed by that Act, on mechanical lighters manufactured in British India.*	Revenue	60 per cent. <i>ad valorem.</i>			Mechanical lighters— 20 per cent. <i>ad valorem</i> plus the amount of the excise duty on mechanical lighters manufactured in British India;† all others— 24 per cent. <i>ad valorem.</i>	
<b>SECTION XXI.</b>							
<b>WORKS OF ART AND ARTICLES FOR COLLECTIONS.</b>							
88	PRINTS, ENGRAVINGS AND PICTURES (including photographs and picture post cards), not otherwise specified.‡	Revenue	60 per cent. <i>ad valorem.</i>				
88(1)	ART, works of, not otherwise specified	Revenue	30 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	
88(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	Free				
88(3)	SPECIMENS, MODELS AND WALL DIAGRAMS, illustrative of natural science, and medals and antique coins.‡	Free	Free				
88(4)	POSTAGE STAMPS, whether used or unused	Free	Free				
<b>SECTION XXII.</b>							
<b>ARTICLES NOT OTHERWISE SPECIFIED.</b>							
87	ALL OTHER ARTICLES not otherwise specified, including articles imported by post.‡	Revenue	30 per cent. <i>ad valorem.</i>			12 per cent. <i>ad valorem.</i>	

\* The reference to the Mechanical Lighters (Excise Duty) Act, 1934, must, by virtue of section 8 of the General Clauses Act, 1897, be read as a reference to the corresponding provision of the Central Excises and Salt Act, 1944. The rate of excise duty under the latter Act is Rs. 3 per lighter. By virtue of section 8 of the Indian Finance Act, 1942, the amount of duty (*vis.*, 50 per cent. *ad valorem* as standard rate plus Rs. 3 per lighter under the above proviso) is to be increased by one-fifth and thus stands at 60 per cent. *ad valorem* as standard rate (as shown) plus Rs. 3 per lighter under the proviso.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, wall pictures and diagrams such as are ordinarily used for instructional purposes are exempt from payment of import duty.

‡ Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, unmanufactured mica and wreaths imported for being placed on graves are exempt from payment of import duty and stereo-song is liable to duty at 10 per cent. *ad valorem*

§ Under Government of India, Finance Department (Central Revenues), Notification No. 2-Customs, dated the 24th February, 1945, bolite and cellulose acetate sheets are exempt from so much of the duty as is in excess of the duty leviable on printing and lithographic material.

## SCHEDULE II—EXPORT TARIFF.

No.	Names of articles.	Per	Rate of duty.
	<b>JUTE, OTHER THAN BIMLIPATAM JUTE.</b>		
	Rs. a.		
	<b>RAW JUTE—</b>		
	(1) Cuttings .. .. .	Bale of 400 lbs. .. ..	1 4
	(2) All other descriptions .. .. .	Bale of 400 lbs. .. ..	4 8
2	<b>JUTE MANUFACTURES, when not in actual use as coverings, receptacles or bindings, for other goods—</b>		
	(1) Sacking (cloth, bags, twist, yarn, rope and twine)* .. .. .	Ton of 2,240 lbs. ....	30 0
	(2) Hessians and all other descriptions of Jute Manufactures not otherwise specified.†	Ton of 2,240 lbs. ....	32 0
13	<b>RICE.</b>		
4	<b>RICE, HUSKED OR UNHUSKED, including rice flour but excluding rice bran and rice dust, which are free.</b>	Indian maund of 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, as amended subsequently, bagging for raw cotton made from cadis rove or from rove containing, in addition to cadis or other material not subject to export duty, not more than 15 per cent. jute weighing not less than 1½ lbs. per square yard and having a total of not more than 140 single or double warp and weft threads per square yard, is exempt from payment of export duty and bagging for raw cotton made from jute rove (excluding bagging specified above as exempt from payment of export duty), weighing not less than .75 lbs. per square yard, and having not more than 360 warp and weft threads per square yard, is liable to export duty at Rs. 5-8 per ton.

† Under Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, jute rags such as are used for paper making are exempt from payment of export duty provided that the Customs Collector is satisfied that they are useless for any purpose to which cloth or rope is ordinarily put.

‡ There is no entry bearing Item No. 3.

**EXCISE DUTIES LEVIABLE ON CERTAIN ARTICLES PRODUCED OR MANUFACTURED IN BRITISH INDIA.**

Item No.	Description of Goods.	Rate of Duty.
1	<b>KEROSENE</b> — "Kerosene" means any inflammable hydrocarbon (including any mixture of hydrocarbons or any liquid containing hydrocarbons but excluding motor spirit) which— (i) is made from petroleum as defined in section 2 of the Indian Petroleum Act, 1899 (VIII of 1899), and (ii) is intended to be or is ordinarily used in liquid form for purposes of illumination.	The rate at which Customs duty is for the time being leviable under the Indian Tariff Act, 1934 (XXXII of 1934), read with any other enactment for the time being in force.
2	<b>MATCHES</b> — "Match" includes a firework in the form of a match; and where a match-stick has more heads than one capable of being ignited by striking, each such head shall be deemed to be a match. (1) Matches, manufactured in a factory whose daily output exceeds one hundred gross of boxes, in boxes or booklets containing on an average— (i) not more than forty matches . . . . . (ii) more than 40, but not more than 50 matches. (iii) more than 50, but not more than 60 matches. (iv) more than 60, but not more than 80 matches. (2) Matches, manufactured in a factory whose daily output does not exceed one hundred gross of boxes, in boxes or booklets containing on an average— (i) not more than 40 matches . . . . . (ii) more than 40, but not more than 50 matches. (iii) more than 50, but not more than 60 matches. (iv) more than 60, but not more than 80 matches. (3) Matches in boxes containing on an average not more than 12 matches of the type known as "Bengal Lights." (4) All other matches . . . . .	Rs. 2-0-0 per gross of boxes or booklets. Rs. 2-8-0 per gross of boxes or booklets. Rs. 3-0-0 per gross of boxes or booklets. Rs. 4-0-0 per gross of boxes or booklets.  Rs. 1-15-2 per gross of boxes or booklets. Rs. 2-7-0 per gross of boxes or booklets. Rs. 2-14-9 per gross of boxes or booklets. Rs. 3-14-4 per gross of boxes or booklets. 10 annas per gross of boxes.  8 annas for every 1,440 matches or fraction thereof.
3	<b>MECHANICAL LIGHTERS</b> — "Mechanical Lighter" means any mechanical or chemical contrivance for causing ignition which is portable and which operates by producing a spark or flame whether by itself or when brought into contact with gas, and includes a mechanical lighter issued from a factory in an incomplete state or requiring for its completion the addition of a flint.	Rs. 3-0-0 per lighter.
4	<b>MOTOR SPIRIT</b> — "Motor Spirit" means— (a) any inflammable hydrocarbon (including any mixture of hydrocarbons or any liquid containing hydrocarbons) which is capable of being used for providing reasonably efficient motive power for any form of motor vehicle; and (b) power alcohol, that is, ethyl alcohol of any grade (including such alcohol when denatured or otherwise treated), which either by itself or in admixture with any such hydrocarbon, is capable of being used as aforesaid.	15 annas per Imperial gallon.
5	<b>SALT</b> — "Salt" includes swamp salt, spontaneous salt, and salt or saline solutions made or produced from any saline substance or from salt earth.	Rs. 1-9-0 per standard maund.
6	<b>SILVER</b>	3 annas and 7½ pies per ounce Troy.
7	<b>STEEL INGOTS</b>	Rs. 4-0-0 per ton.
8	<b>SUGAR PRODUCED IN A FACTORY ORDINARILY USING POWER IN THE COURSE OF PRODUCTION OF SUGAR</b> — "Sugar" means any form of sugar containing more than ninety per cent. of sucrose— (1) Sugar other than Khandasari or Palmyra . . . . . (2) Khandasari sugar— that is to say, sugar in the manufacture of which neither a vacuum pan nor a vacuum evaporator is employed. (3) Palmyra sugar— that is to say, sugar manufactured from jaggery obtained by boiling the juice of the palmyra palm.	Rs. 3-0-0 per cwt. 8 annas per cwt.  Nil.
9	<b>TOBACCO</b> †§— "Tobacco" means any form of tobacco, whether cured or uncured, and whether manufactured or not, and includes the leaf, stalks and stems of the tobacco plant but does not include any part of a tobacco plant while still attached to the earth. I. Unmanufactured tobacco— (1) if flue-cured and intended for— (a) manufacture into cigarettes containing— (i) more than 60 per cent. weight of imported tobacco. (ii) more than 40 per cent. but not more than 60 per cent. weight of imported tobacco. (iii) more than 20 per cent. but not more than 40 per cent. weight of imported tobacco. (iv) 20 per cent. or less than 20 per cent. weight of imported tobacco. (v) no imported tobacco . . . . . (b) any purpose other than the manufacture of cigarettes or of the products enumerated in (3) (a) and (3) (b).	Rs. 7-8-0 per lb. Rs. 5-0-0 per lb. Rs. 3-8-0 per lb. Rs. 2-8-0 per lb. Rs. 1-0-0 per lb. Rs. 7-8-0 per lb.

\* Under Government of India, Finance Department (Central Revenues), Notification No. 6-Camp-Central Excise, dated the 7th April, 1945, matches of the type known as "Bengal Lights" when manufactured in a factory whose daily output does not exceed 100 gross of boxes are exempt from duty payable on them to the extent of 10 pies per gross of boxes.

† Under Government of India, Finance Department (Central Revenues), Notification No. 7-Camp-Central Excise, dated the 7th April, 1945, flue-cured *gulla* tobacco and the stems of flue-cured tobacco are exempt from so much of the duty leviable thereon as is in excess of the duty leviable on tobacco other than flue-cured tobacco which is intended for manufacture into cigarettes provided that the Collector is satisfied that such flue-cured *gulla* tobacco or such stems of flue-cured tobacco are intended for manufacture into cigarettes containing no other flue-cured tobacco.

‡ Under the Government of India, Finance Department (Central Revenues), Notification No. 3-Central Excises, dated the 17th June, 1944, tobacco powder prepared from stalks and stems and other refuse is exempt from the excise duty leviable under the Central Excises and Salt Act, 1944, provided that the Collector is satisfied that such tobacco powder is intended for use as an insecticide.

§ Under the Government of India, Finance Department (Central Revenues), Notification No. 4-Central Excises, dated the 1st July, 1944, tobacco which is proved to the satisfaction of the Collector, to be intended for the manufacture of Nicotine Sulphate is exempt from duty.

**EXCISE DUTIES LEVIABLE ON CERTAIN ARTICLES PRODUCED OR MANUFACTURED IN BRITISH INDIA.—concl'd.**

Item No.	Description of Goods.	Rate of Duty.
	(2) if other than fine-cured and intended for— (a) manufactured into cigarettes (b) any purpose other than the manufacture of cigarettes or of the products enumerated in (3) (a) and (3) (b).	9 annas per lb. 9 annas per lb.
	(3) whether fine-cured or not, if intended for— (a) manufacture into— (i) biris (ii) snuff (iii) cigars and cheroots (iv) hookah tobacco (b) sale as chewing tobacco, whether manufactured or merely cured. (c) agricultural purposes	9 annas per lb. 9 annas per lb. 3 annas per lb. 3 annas per lb. 3 annas per lb. Nil.
	(4) Stalks and other refuse of tobacco intended for use in the preparation of any form of manufactured tobacco.	1 anna per lb.
	II. Manufactured tobacco— Cigars and cheroots of which the value— (i) exceeds Rs. 30 a hundred (ii) exceeds Rs. 25 a hundred but does not exceed Rs. 30 a hundred. (iii) exceeds Rs. 20 a hundred but does not exceed Rs. 25 a hundred. (iv) exceeds Rs. 15 a hundred but does not exceed Rs. 20 a hundred. (v) exceeds Rs. 10 a hundred but does not exceed Rs. 15 a hundred. (vi) exceeds Rs. 5 a hundred but does not exceed Rs. 10 a hundred. (vii) exceeds Rs. 2-8 a hundred but does not exceed Rs. 5 a hundred. (viii) exceeds Rs. 1-4 a hundred but does not exceed Rs. 2-8 a hundred. (ix) exceeds annas 12 a hundred but does not exceed Rs. 1-4 a hundred.	Rs. 12-0-0 per hundred. Rs. 10-0-0 per hundred. Rs. 8-0-0 per hundred. Rs. 6-0-0 per hundred. Rs. 4-0-0 per hundred. Rs. 2-0-0 per hundred. Rs. 1-0-0 per hundred. 8 annas per hundred. 4 annas per hundred.
10	TYRES*— "Tyre" means a pneumatic tyre in the manufacture of which rubber is used and includes the inner tube and the outer cover of such a tyre.	10 per cent. <i>ad valorem</i> .
11	VEGETABLE PRODUCT†— "Vegetable Product" means any vegetable oil or fat which, whether by itself or in admixture with any other substance, has by hydrogenation or by any other process been hardened for human consumption.	Rs. 5-0-0 per cwt.
12	BETEL-NUTS, CURED‡ "Betel-nut" means the fruit of the areca-palm (areca catechu), whether with or without husk, whether cured or uncured, but does not include the fruit while still attached to the tree.	2 annas per lb.
13	COFFEE, CURED§— "Coffee" means the seed of the coffee tree (coffea), whether with or without husk, whether cured or uncured, but does not include the seed while still attached to the tree. N.B.—In addition a duty of excise at the rate of one rupee per cwt. is leviable under the Coffee Market Expansion Act, 1942, on all coffee (except coffee sold and delivered before the estate became subject to the provisions of the Act)— (i) which a registered estate is permitted by the internal sale quota allotted to it, to sell in the Indian market, whether such coffee is actually sold or not, and (ii) which is released for sale in India by the Indian Coffee Board from the surplus pool. (The Coffee Market Expansion Act, 1942, shall cease to be in force at the end of the twelve months commencing on the first day of July subsequent to the termination of the present hostilities.)	2 annas per lb.
14	TEA "Tea" means the commodity known as tea made from the leaves of the plant <i>Camellia Thea</i> (Linn.) and includes green tea.	2 annas per lb.
15	COAL AND COKE— (i) Coal and Soft Coke (ii) Hard Coke N.B.—In addition with effect from the 1st October, 1944, an excise duty at the rate of one rupee and four annas per ton is leviable under the Coal Production Fund Ordinance, 1944, on all coal and coke despatched from collieries in British India. But all coal and coke despatched from collieries otherwise by rail are, however, exempt from liability to this duty.	2 annas per ton. 3 annas per ton.
16	Goods specified in item 40 of List 11 of the 7th Schedule to the Government of India Act, 1935, viz. :— (a) Alcoholic liquors for human consumption; (b) Opium, Indian hemp and other narcotic drugs and narcotics; non-narcotic drugs; (c) Medicinal and toilet preparations containing alcohol or any substances included in (b) above.	Rates vary in different provinces.
17	COPRA¶	4 annas per cwt. avoird.

\* Under the Government of India, Finance Department (Central Revenues), Notification No. 16-Central Excises, dated the 1st April, 1941, tyres specially designed for use on animal drawn vehicles are exempt from payment of this duty.

† Under the Government of India, Finance Department (Central Revenues), Notification No. 4-Central Excises, dated the 1st April, 1943, vegetable product known as "Margarine" is exempt from payment of this duty.

‡ Under the Government of India, Finance Department (Central Revenues), Notification No. 13-Central Excises, dated the 7th October, 1944, betel-nuts which are proved to the satisfaction of the Collector of Central Excise to be intended for being used as seeds are exempt from the payment of this duty.

§ Under the Government of India, Finance Department (Central Revenues), Notification No. 2-Central Excises, dated the 3rd June, 1944, coffee seeds which are proved to the satisfaction of the Collector of Central Excise to be intended for the purpose of sowing are exempt from the payment of this duty.

¶ Under the Government of India, Finance Department (Central Revenues), Notification No. 7-Central Excises, dated the 16th August, 1944, tea waste which is proved to the satisfaction of the Collector to be intended for the manufacture of caffeine, is exempt from duty.

|| Under Government of India, Department of Education, Health and Lands (Agriculture), Notification No. F42-4/45-A dated the 25th May, 1945, and in exercise of the powers conferred by section 3 of the Indian Coconut Committee Act, 1944 (X of 1944), the duty is levied, with effect from the 1st June, 1945, on all copra consumed in any mill in British India, when produced in British India.

CESSSES LEVIABLE ON CERTAIN ARTICLES ON EXPORT OR OTHERWISE

No.	Name of Article.	Cess leviable.
11	TEA .. .. .	Re. 1-4 per 100 lbs.
12	JUTE—	
	(a) Raw including Jute cuttings and rejections .. .. .	Two annas per bale of 400 lbs.
	(b) Manufactured Jute .. .. .	Twelve annas per ton of 2,240 lbs.
13	COTTON (ginned)—	
	(a) Baled .. .. .	Two annas per standard bale of 400 lbs.
	(b) Unbaled .. .. .	Six pies per 100 lbs.
14	LAC—	
	(a) Any form of manufactured or unmanufactured lac .. .. .	Seven annas per maund.
	(b) Refuse lac .. .. .	Five annas per maund.
15	COFFEE .. .. .	Re. 1 per cwt.
16	(i) BONES** .. .. .	
	Tariff value— .. .. .	Per cwt.
	Bones, broken or crushed (including bone grit)† .. .. .	Rs. a. p. 4 4 0
	(ii) BRISTLES .. .. .	
	(iii) BUTTER .. .. .	
	Tariff value— .. .. .	Per lb.
	Butter .. .. .	Rs. a. p. 1 12 0
	(iv) CEREALS, other than rice and wheat .. .. .	
	Tariff values— .. .. .	Per cwt.
	Bajri .. .. .	Rs. a. p. 11 0 0
	Barley .. .. .	10 0 0
	Jowar .. .. .	10 8 0
	Maize .. .. .	10. 8 0
	(v) DRUGS†† .. .. .	
	(vi) FIBRE FOR BRUSHES .. .. .	
	Tariff value— .. .. .	Per cwt.
	Fibre for brushes, all kinds .. .. .	Rs. a. p. 23 0 0
	(vii) FISH .. .. .	
	(viii) FRUITS .. .. .	
	Tariff values— .. .. .	Per cwt.
	Almonds in the shell .. .. .	Rs. a. p. 80 0 0
	Almonds without shell .. .. .	210 0 0
	Cashew kernels .. .. .	100 0 0
	Coconuts .. .. .	Per thousand. 90 0 0
	Raisins, all kinds .. .. .	Per cwt. 0 0 0
	Tamarind .. .. .	17 0 0
	Walnut in the shell .. .. .	50 0 0
	Walnut kernel .. .. .	75 0 0
	(ix) GHEE .. .. .	
	Tariff values— .. .. .	Per Indian maund.
	Ghee .. .. .	Rs. a. p. 170 0 0
	Ghee substitute including vegetable ghee and hydrogenated edible oil and fat mixture .. .. .	Per cwt. 63 0 0

\* The cess is levied on all tea exported from any Customs port to any port beyond the limits of British India. Under the Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as subsequently amended, tea exported to any place in the Janjira State or exported from any Customs port to any port in Kathiawar and tea exported by post is exempt from payment of this duty.

† The cess is levied on all jute exported by sea from the port of Calcutta to any other port whether beyond or within India and from the port of Chittagong to any other port beyond or within India (except raw jute exported to Calcutta).

‡ The cess is levied on all cotton produced in India and (a) consumed in any mill in British India, or (b) exported from any Customs port to any port outside British India, or (c) exported by land to the French and Portuguese territories of Pondicherry, Karikal, Goa and Daman. The cess is not, however, leviable on cotton waste, kapok and cotton fly. Under the Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as subsequently amended, cotton exported from any Customs port to any port in Kathiawar and linters are exempt from payment of this duty.

§ The cess is levied on all lac and refuse lac produced in India and exported from any Customs port to any port beyond the limits of British India. Under the Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as subsequently amended, lac and refuse lac exported from any Customs port to any port in Kathiawar are exempt from payment of these duties.

|| The cess is levied on all coffee taken by sea or by land to any place beyond the limits of British India. Under the Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as subsequently amended, coffee taken by sea or by land to any place in the Travancore State or Cochin State or by land to any place in the Mysore State, or exported from any Customs port to any port in Kathiawar is exempt from payment of this duty.

¶ Under the Government of India, Finance Department (Central Revenues), Notification No. 33, dated the 22nd June, 1935, as subsequently amended, articles included under item No. 6, exported (a) by sea as passengers' baggage, (b) by post, (c) to any place in the Janjira State, and (d) from any Customs port to any port in Kathiawar are exempt from payment of this duty.

\*\* Under the Government of India, Department of Education, Health and Lands, Notification No. F. 8/40, dated the 11th September 1940, Bones, human, exported as anatomical specimens are not subject to this duty.

†† Under the Government of India, Department of Education, Health and Lands, Notification No. F. 8/40, dated the 11th September 1940, Drugs, manufactured, are not subject to this duty.

CESSSES LEVIABLE ON CERTAIN ARTICLES ON EXPORT OR OTHERWISE—*concl.*

No.	Name of Article.	Units	Tariff values—	Per	Cost leviable.
(x)	HIDES, raw .. .. .	.. .. .	.. .. .	.. .. .	
	<i>Tariff values—</i>			Per lb.	
	Buffalo hides (excluding calf skins)—			Rs. a. p.	
	(i) Arsenicated .. .. .	.. .. .	.. .. .	0 8 8	
	(ii) Salted .. .. .	.. .. .	.. .. .	0 7 0	
	Cow hides (excluding calf skins)—				
	(i) Arsenicated .. .. .	.. .. .	.. .. .	0 10 6	
	(ii) Salted .. .. .	.. .. .	.. .. .	0 8 6	
(xi)	MANURES .. .. .	.. .. .	.. .. .	.. .. .	
	<i>Tariff value—</i>			Per cwt.	
	Manures of animal origin, all kinds ..	.. .. .	.. .. .	4 8 0	
(xii)	OILCAKES .. .. .	.. .. .	.. .. .	.. .. .	
	<i>Tariff values—</i>			Per ton.	
	Groundnut oilcakes .. .. .	.. .. .	.. .. .	65 0 0	
	Groundnut oilcake meal .. .. .	.. .. .	.. .. .	70 0 0	
	Linseed oilcakes .. .. .	.. .. .	.. .. .	65 0 0	
	Oilcakes, other kinds .. .. .	.. .. .	.. .. .	65 0 0	
(xiii)	PULSES .. .. .	.. .. .	.. .. .	.. .. .	
	<i>Tariff values—</i>			Per cwt.	
	Dal, all kinds .. .. .	.. .. .	.. .. .	20 8 0	
	Pulses, all kinds .. .. .	.. .. .	.. .. .	18 0 0	
(xiv)	SEEDS .. .. .	.. .. .	.. .. .	.. .. .	
	<i>Tariff values—</i>			Per cwt.	
	Ajwan .. .. .	.. .. .	.. .. .	20 0 0	
	Aniseed .. .. .	.. .. .	.. .. .	25 0 0	
	Castor seed .. .. .	.. .. .	.. .. .	15 0 0	
	Celery seed .. .. .	.. .. .	.. .. .	52 0 0	
	Coriander seed .. .. .	.. .. .	.. .. .	25 0 0	
	Cotton seed .. .. .	.. .. .	.. .. .	7 0 0	
	Groundnuts, decorticated .. .. .	.. .. .	.. .. .	15 0 0	
	Linseed .. .. .	.. .. .	.. .. .	14 8 0	
	Mustard and rape seeds .. .. .	.. .. .	.. .. .	18 0 0	
	Niger seed .. .. .	.. .. .	.. .. .	18 0 0	
	Til (Sesamum) .. .. .	.. .. .	.. .. .	25 0 0	
					‡ per cent. <i>ad valorem</i> .
(xv)	SKINS, raw .. .. .	.. .. .	.. .. .	.. .. .	
	<i>Tariff values—</i>			Per piece.	
	Goat skins (excluding kid skins) ..	.. .. .	.. .. .	1 7 0	
	Sheep skins (excluding lamb skins) ..	.. .. .	.. .. .	1 5 0	
(xvi)	SPICES .. .. .	.. .. .	.. .. .	.. .. .	
	<i>Tariff values—</i>			Per cwt.	
	Chillies, dry .. .. .	.. .. .	.. .. .	40 0 0	
	Ginger, dry .. .. .	.. .. .	.. .. .	50 0 0	
	Pepper, black .. .. .	.. .. .	.. .. .	60 0 0	
	Turmeric .. .. .	.. .. .	.. .. .	23 0 0	
(xvii)	TOBACCO, unmanufactured .. .. .	.. .. .	.. .. .	.. .. .	
	<i>Tariff values—</i>			Per lb.	
	Flue cured .. .. .	.. .. .	.. .. .	1 0 0	
	Non-flue cured .. .. .	.. .. .	.. .. .	0 8 0	
	Chewing, <i>bidi</i> , cheroot and cigar tobacco	.. .. .	.. .. .	0 8 0	
(xviii)	VEGETABLES .. .. .	.. .. .	.. .. .	.. .. .	
	<i>Tariff values—</i>			Per cwt.	
	Garlic .. .. .	.. .. .	.. .. .	20 0 0	
	Onions .. .. .	.. .. .	.. .. .	7 0 0	
	Potatoes .. .. .	.. .. .	.. .. .	16 0 0	
(xix)	WHEAT .. .. .	.. .. .	.. .. .	.. .. .	
	<i>Tariff value—</i>			Per cwt.	
	Wheat, all kinds .. .. .	.. .. .	.. .. .	12 8 0	
(xx)	WHEAT FLOUR .. .. .	.. .. .	.. .. .	.. .. .	
	<i>Tariff values—</i>			Per cwt.	
	Wheat atta .. .. .	.. .. .	.. .. .	14 8 0	
	Wheat flour and suji .. .. .	.. .. .	.. .. .	18 0 0	
(xxi)	WOOL, RAW .. .. .	.. .. .	.. .. .	.. .. .	
	<b>CLOTH AND YARN*</b>				
	Cloth and yarn of any description manufactured either wholly from cotton, or partly from cotton and partly from any substance, and containing not less than 10 per cent. of cotton by weight.				‡ per cent. of the maximum ex-factory price for the time being fixed for the particular description of cloth or yarn for export.

\* This duty was imposed from the 1st October, 1944, under the Cotton Textiles Fund Ordinance, 1944 (Central) Ordinance (No. XXXIV of 1944), dated the 8th July, 1944.

Under the Government of India, Finance Department (Central Revenues), Notification No. 29—Customs, dated the 18th November, 1944, Cloth and Yarn manufactured in India and exported from British India to an Indian State are exempt from the payment of the duty leviable thereon.



**Report for the Year 1944.**

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*Section IV.*

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**SPEECH OF THE FINANCE MEMBER  
ON  
INTRODUCTION OF BUDGET FOR 1945-46.**

**SPEECH BY THE HONOURABLE THE FINANCE MEMBER ON INTRODUCING THE  
BUDGET PROPOSALS FOR 1945-46.**

Last year, when presenting the fifth war budget to this House, I referred to the period through which India had then recently passed as one of economic storm. This year, in presenting the sixth war budget, it is possible to refer to the twelve months which lie behind us as one of relative consolidation and stability in the economic field, in strong contrast to the dramatic events which have been taking place on the field of battle. In Europe, in Asia and in the Pacific the tide has more than turned; the enemy is at bay and who can doubt that 1945 will bring final victory, at least in Europe? These heartening achievements have helped, and abundantly helped, the battle on the economic front also; they are dispelling that fear of an indefinitely prolonged war which contributes to hoarding and to speculation. But important as the psychological consequences of military victories have been, I feel I can legitimately claim that the measures of economic control which were effected in 1943 and which have since been enforced with increasing vigour and determination have also contributed to the result. First and foremost I would put the improvement in the food situation. We are moving forward on three fronts: towards monopolistic government procurement, towards an ever-widening extension of rationing, and now that we have a solid foundation under our feet, towards a wider nutrition policy, which will embrace the protective foods as well as the foodgrains.

2. Secondly, we have made notable progress in our attempt to maintain prices generally on an even keel, to control the distribution of textile goods and to prevent profiteering of all kinds. The general level of wholesale prices has been subject to fluctuations from time to time, according as a more or less optimistic view was taken of the duration of the war, but prices as a whole do not differ markedly from what they were in the spring and summer of 1943, when our anti-inflationary efforts began to be undertaken on a wide front. It is encouraging to note a greater degree of willingness on the part of the public to co-operate with us and to resent the anti-social activities of certain traders in withholding supplies and of others who do not hesitate to offer or accept bribes in the furtherance of their own selfish interests. Our efforts to improve the economic situation have been greatly assisted by the freer flow of imports—of foodgrains, raw materials and finished products. The House is aware of the fact that a Mission has recently gone to London for the purpose of further discussing with His Majesty's Government the possibility of lightening the load which the continuance of the war imposes on the Indian economy.

3. I must again emphasise, as on previous occasions, that though individual measures of the kind that I have referred to are indispensable, yet the keystone of our defences, apart from our taxation and loan programmes, lies in the conscious restriction of expenditure by the mass of individuals. Though certain classes of the population have suffered, and continue to suffer, from the fact that their incomes have not yet become fully adjusted to the higher level of prices, yet large and very important classes of the population are now in receipt of money-incomes very much higher than those which they previously enjoyed. This applies to the industrial population and to the agricultural classes as a whole; to the traders and to the manufacturers. The consumers goods for which they crave are not yet available and, except in so far as the additional incomes which have been generated by the war are amenable to taxation, the only possibilities are abstention from expenditure and lending to Government. Naturally, at the present time, the latter is the more completely satisfactory solution; not only does such lending greatly assist Government in its anti-inflationary campaign, but it marks a break with the age-old tradition of hoarding, which may well be an even greater, obstacle to the rapid progress of India than many of the factors which are more frequently mentioned.

**FINANCIAL YEAR, 1943-44.**

4. I will first, as is customary, give briefly the results of the last financial year. In our revised estimates we expected to end the year with a deficit of Rs. 92.43 crores. The actual deficit turned out to be Rs. 189.79 crores. Defence expenditure exceeded estimates by about Rs. 96 crores. This was due partly to the fact that much of the fighting against the Japanese took place within, instead of wholly outside, India's frontiers and partly to an unexpectedly heavy adjustment in the accounts of the year in respect of vehicles utilised for the initial equipment and maintenance of India's local defence forces. There was also a deterioration of about Rs. 9 crores under Taxes on Income which was offset by an increased contribution from Railways and larger receipts under Excise.

**FINANCIAL YEAR, 1944-45.**

**Revenue**

5. Coming to the current year, the total revenue receipts are now expected to be Rs. 356.88 crores, an improvement of Rs. 48.60 crores over the budget estimates.

Customs receipts are expected to improve by Rs. 12 crores as a result of larger imports made possible by the general easing of the shipping position. Of this amount, Rs. 2½ crores are accounted for by the import of locomotives and wagons. Under Central Excises, however, there is a shortfall of some Rs. 2 crores, mainly under tobacco, caused by transport difficulties and by reduced cultivation as a result of the drive in favour of food crops.

6. Taxes on income were expected to yield Rs. 182.5 crores, Rs. 78 crores from excess profits tax and Rs. 104.5 crores from other taxes on income. The progress of regular E.P.T. assessments has been stepped up so that we now expect collections under this head to reach Rs. 110 crores. There is, however, likely to be a fall of Rs. 4½ crores under other taxes on income, which are expected to yield Rs. 100 crores. This figure excludes the collections of approximately Rs. 60 crores under the "Pay-as-you-earn" scheme which are treated for accounting purposes as deposits pending completion of the regular assessments. The divisible pool of income-tax has been taken at Rs. 61.13 crores and the share of the Provinces at Rs. 26.56 crores (including Rs. 49 lakhs on account of the previous year's arrears), or Rs. 2.87 crores more than the budget figure.

7. An improvement of Rs. 2.56 crores is anticipated under Currency and Mint due mainly to Government's share of the surplus profits of the Reserve Bank increasing from Rs. 7.50 crores to Rs. 10.07 crores.

The estimates also include Rs. 10.27 crores proposed to be transferred from the two War Risks Insurance Funds to cover the estimated payments this year under the Bombay Explosion (Compensation) Scheme.

The revenue of the Posts and Telegraphs Department is now estimated at Rs. 28.78 crores, that is, Rs. 86 lakhs more than the budget figure. Expenditure is placed at Rs. 19.46 crores, an increase of Rs. 2.85 crores. The anticipated surplus of Rs. 9.32 crores will accrue to general revenues.

For reasons already made known to the House, it has been decided to stabilise the contribution from Railways to general revenues at Rs. 32 crores for the current and ensuing years.

**Expenditure**

8. *Defence Services.*—Turning to expenditure I begin, as usual, with the defence services. The past year has witnessed a succession of major triumphs for the Allied cause. On the Western front the years of intense effort and patient preparation at last bore fruit and the liberation of France was effected with a dramatic suddenness equal to that of its fall, four years earlier. The Allied forces in this theatre are now fighting on the borders of, and even within, Germany itself. Our progress on the Italian front has, it is true, been slowed down but only at heavy cost to the enemy who have had to lock up in this theatre forces that they very badly needed elsewhere, especially on their Eastern front.

On that front the Russians, in a succession of titanic offensives sweeping all before them, have succeeded not only in freeing their own territory entirely from the enemy, but also in forcing the capitulation of most of the Axis satellites—Rumania, Bulgaria and Hungary—and are now within striking distance of Berlin itself. With the Russians investing her capital, the other Allies hammering at her Western frontiers, and the Allied air forces continually destroying her centres of war production, it is difficult to see how the final collapse of Germany can be long delayed. Nor is the position of the other surviving Axis partner much less precarious. In the Pacific Japan is rapidly being forced to give up her ill-gotten territories; her navy and merchant shipping are disappearing under the combined attacks of the Allied sea and air forces, and she is now being subjected in her turn to the devastation of air attack.

9. Developments in the S.E.A. theatre, in which India naturally has a special interest, did not take quite the course envisaged at the time of my last budget speech. Before any major offensive based on India could be launched against them, the Japanese took the initiative and committed almost their entire resources in Burma to a large scale assault on India's North-Eastern frontier. Some of the bitterest fighting of the war followed, largely on Indian soil, but the months of rigorous training in jungle warfare based on past painful experience in this theatre, which had been given to our forces, now paid magnificent dividends and, as the House knows, the Japanese suffered a major and decisive defeat. The full magnitude of the disaster inflicted on the Japanese in this brilliant campaign has yet to be revealed but the results to some extent speak for themselves, since not only were such of their forces as survived flung back over the border but the demoralised remains have been in continuous retreat, suffering heavy losses in men and munitions of war in the process. As a result the whole of Northern Burma has now been delivered from their control.

Although the date of Japan's final discomfiture cannot yet be confidently predicted, the events just summarised encourage us to think that it may be nearer than we dared to hope a year ago. India may well be proud of the part played by her forces of all three services in these events, and it is satisfactory that the importance of her contribution in this theatre has at last been duly recognised and appreciated by the other Allied Nations.

10. I shall now briefly refer to other important developments in the field of defence which have taken place in India during the past year.

There have been a number of improvements in the terms and conditions of service affecting all arms. Certain improvements in the rates of proficiency pay of Indian other ranks that were in contemplation a year ago have since been sanctioned with effect from the 1st January 1944. Improved scales of basic pay and batta for Viceroy's Commissioned Officers were also introduced from the 1st April 1944. The Government of India have recently extended to personnel of the British Services in the India Command the war service increments of pay sanctioned from 3rd September 1944 by H. M. G. for such personnel in other theatres. They have also sanctioned similar increments for personnel of the Indian services with effect from the same date. These pay increases are admissible to all those having more than 3 years' service since the outbreak of war.

There have been further improvements in the medical arrangements for dealing with sick and wounded in India. The standards of military hospitals, both as regards buildings and equipment have been raised; better cook houses, fully modernised operating theatres, and improvements in ambulance trains have been introduced. Particular attention, too, is now being paid to the rehabilitation of wounded men and the medical services are doing everything in their power to restore the normal functioning of limbs injured on active service so that the men concerned may take the fullest possible part in their subsequent civilian roles. An artificial limb centre has been established in India and is playing a very important part in this rehabilitation process.

11. During the cold weather of 1943-44 plans were made whereby the Defence Services would produce much of the supplies of fresh provisions required for their own consumption. These plans have now matured and by the middle of the year 80 per cent. of the fresh vegetables and potatoes required by these services was being obtained from schemes sponsored by them. Large quantities of eggs and poultry were also being produced monthly. By the end of the year the Defence Services will be largely self-supporting in fresh vegetables and potatoes and the output of the other items mentioned will have been multiplied many times. In some places supplies of fresh food produced in this way exceed the service requirements and so become available for sale to civil consumers. These arrangements will also exercise a salutary check on the prices of such produce in the country at large.

In my last budget speech I made special reference to the efforts being made for the promotion of the welfare of the Defence Services. During the past year this subject acquired a good deal of publicity, particularly in the U.K., and the visit of the Earl of Munster to India was designed to investigate how far the complaints from service personnel regarding the welfare and amenities arrangements in India were justified, and what steps were necessary to put things right. The investigation showed that within the limited resources at their disposal the authorities in India had done what was possible to ameliorate generally living conditions for soldiers—both British and Indian—in India. Such improvements as were called for were dependent in most cases on obtaining goods and services from overseas and it is expected that greatly increased facilities for this purpose will now be afforded.

12. The improvement in the quality of the Indian Air Force continues; the most recent development is the introduction of the famous Spitfire aircraft, and one squadron equipped with these will shortly be given an active operational role as a fighter squadron.

During the past year the quality of the men who presented themselves for selection as General Duty Officers in the Indian Air Force has been somewhat lower than formerly. The effect of this has been a large wastage in training, and the necessity for increasing the monthly intake from 70 to 104 recruits. In spite of this, the 10 squadron target has not been reached owing to lack of pilots. The 9th squadron of the Indian Air Force was formed on the 20th February 1944 and the formation of the 10th is under consideration, but, unless recruiting improves, this will not be possible.

The Empire Training Scheme has been temporarily discontinued, but flying training in India continues as before.

13. The Royal Indian Navy continues to grow and further progress has been made in the construction of training establishments and holding depots. Apart from its work in the defence of India's ports and coasts, the Royal Indian Navy is playing a considerable role in escorting shipping and general policing duties in Indian waters. It has given invaluable support and protection to the land forces in the recent operations on the Eastern Front in which its landing craft have played a major part.

14. India continued to receive goods and services from the U.S.A. under Lend-Lease arrangements and, in return, to grant Reciprocal Aid in various forms of supplies and services as explained in my speech last year. The demands for such aid have been heavier than was anticipated last year particularly in regard to works (mainly airfields), petrol and aviation spirit. To some extent this was due to the increased activities of the U.S. Forces in strafing the Japanese on India's North-Eastern Frontier. The estimated cost of Reciprocal Aid to be afforded at India's expense to the U.S.A. for which provision has been made in these estimates is Rs. 76.33 crores during 1944-45 and Rs. 70.34 crores during 1945-46. The value of such aid furnished in the year 1943-44 amounted to Rs. 35.11 crores and the progressive total of Reciprocal Aid from the beginning of the war to the end of 1944-45 would, on these estimates, amount to about Rs. 124 crores. At present the great bulk of Reciprocal Aid afforded to the U.S.A. in India is charged to Indian revenues and only a relatively minor amount of such aid (e.g., that relating to certain non-indigenous supplies) is financed by H. M. G. and treated as British Reciprocal Aid. The total amount of supplies and services expected to be made to India under Lend-Lease arrangements up to the end of 1944-45 is now estimated at roughly Rs. 515 crores and the value of these supplies and services which India, but for Lend-Lease, would have had to provide at her own expense is now assessed at approximately Rs. 150 crores. It is impossible to make any similar estimate for the year 1945-46 as the extent of Lend-Lease granted during that year must necessarily depend on war developments both in the European and the Eastern theatres. There seems no reason, however, to think that the value of Lend-Lease aid received by India to the end of that year will fall short of the corresponding amount of Reciprocal Aid to the U.S.A.

During the year under review India signed a direct Mutual Aid Agreement with the Government of Canada which entitles her to participate in the benefits of Mutual Aid accorded by the Canadian Government to the Allied Nations. The precise effect of this Agreement upon India's defence expenditure has not yet been finally ascertained in the absence of complete information regarding the amount of such aid to be made available but, in framing the revised and budget estimates, a reduction of Rs. 5 crores has been allowed on this account in the estimates of each year.

15. In my last budget speech I referred to the necessity for ensuring that India's economy was not subjected to an intolerable strain as a result of its employment as a major base of operations against Japan. I have already referred to the Mission under Sir Akbar Hydari which is now in London examining in detail the extent to which demands for commodities required for war purposes, hitherto placed on India, can be met from other sources, and further what goods badly needed here can be sent out in order to offset the general depletion caused by war demands. It is hoped that this Mission, besides bringing much needed relief to India's economy, will have a wholesome educative effect on opinion in the United Kingdom and produce a better appreciation of the magnitude and nature of India's war effort.

16. During the year the negotiations with H. M. G. that have been in progress for some time past regarding the allocation during the war of non-effective charges, i.e., pensions and gratuities paid to personnel of the defence services and their dependents, were concluded and an agreement between the two Governments on the subject has now been reached.

Prior to the outbreak of the present war, each Government received from the other contributions in respect of so much of the pensions and gratuities of their own armed forces as were reckoned to have been earned in the service of the other Government. Since under normal conditions the number of British service personnel employed in India far exceeded the number of Indian service personnel employed at Imperial stations, the net result of these adjustments was a substantial annual payment by India to H. M. G. This process necessitated the maintenance of an elaborate non-effective account and the continuous collection of detailed information regarding the service of many thousands of officers and men. During the last war it was found quite impossible to keep up this non-effective account which had therefore to be held in abeyance and the settlement of numerous claims and counter-claims in respect of non-effective charges relating to that war formed the subject of prolonged correspondence and eventually—though not until 1931—had to be settled in a more or less arbitrary manner. It was felt most desirable to avoid a similar long-drawn out controversy over the non-effective charges arising out of the present war. The matter has been examined at great length by technical experts on both sides and the agreement now reached may be summarised as follows:—

(1) The non-effective account between the two Governments to be finally closed as on the 1st April 1939, India's net liability towards H. M. G. for the non-effective charges of all defence personnel on that date being discharged by a lump sum payment of £15 millions.

(2) India's net liability thereafter during the war to be fully discharged by an annual payment of £1,350,000 to H. M. G.

(3) Each Government to bear the cost of those casualty pensions and other abnormal non-effective charges arising out of the war, which are sanctioned under its own regulations.

(4) The new agreement to be co-terminous with the main Financial Settlement, a fresh agreement to be negotiated thereafter.

It is felt that this non-effective agreement has the great merit of simplicity, while securing an equitable apportionment of the charges in question between the two Governments.

The agreement provides for the payment of the sum of £15 millions on the date of its termination. Recently H. M. G. enquired whether the Government of India would be disposed to pay this amount in advance of that date and offered to reduce the annual payment of £1,350,000 by £450,000 as from the date of such premature payment. As this offer seemed to the Government of India a favourable one, it has been accepted and the payment was made on the 1st February 1945, from which date the annual payment will accordingly be reduced to £900,000.

17. It is now necessary to consider the effect of these developments on our estimates of defence expenditure for the current year. The Financial Settlement accepted in 1940 was the target for a great deal of abuse—much of it extremely ill-informed—by the press both in India and in the United Kingdom during the year. As was no doubt inevitable with any arrangement of this character, the criticism has been vehement and has proceeded from diametrically opposite points of view. It still remains, however, our sheet-anchor for the purpose of determining India's share of war expenditure. Under the operation of that Settlement India becomes liable for a considerable amount of additional expenditure arising out of the Japanese invasion at the beginning of the year. In framing the budget for 1944-45 it has been assumed that operations against the Japanese would take place outside India and, in consequence, that no portion of their cost would fall on Indian revenues, which, on the other hand, would be relieved as a result of the sending of forces beyond her frontiers to take part in those operations. In the event, not only had forces earmarked for employment overseas to be retained in India but others were brought in from outside to repel the invader, and no provision existed in the budget for the cost of all these troops or for the other additional expenditure incurred on these operations for which India is liable. This constitutes one of the major causes of the heavy excess of the defence expenditure for the year over our budget anticipations, but I trust the House will realise that this is a small price to pay for the victory which has assured to India immunity from the Japanese invader.

Other major developments that could not be foreseen a year ago and for which consequently no provision was made in the budget are—

(1) The grant of war service increments and other pay increases to both British and Indian troops during the year;

(2) heavy demands from the U.S.A. Forces in India for goods and services on Reciprocal Aid;

(3) the decision that India would be liable for the indigenous element in the cost of imported petrol utilised for her own war purposes. As mentioned in my speech last year, H. M. G. offered to bear the cost of petrol and aviation spirit required for the expansion of India's land and air forces, but this offer, it has since been made clear, will only cover the cost landed at an Indian port, leaving the expenses of distribution in India to be borne by India;

(4) the payment of the sum of £15 millions in connection with the Non-effective agreement.

18. The revised estimates of defence expenditure for the year 1944-45 amount to Rs. 397.23 crores and Rs. 59.41 crores under the Revenue and Capital heads respectively. The details are as follows:—

#### Revenue Portion

	(In lakhs of rupees)
(1) Basic Normal Budget	36.77
(2) Effect of rise in prices	16.92
(3) India's war measures	3,34.22
(4) Non-effective charges	9.32
<b>Total</b>	<b>3,97.23</b>

#### Capital Portion

(1) Air Force—Airfields	15.89
(2) Capital outlay on industrial expansion	3.34
(3) Reciprocal Aid—Airfields	15.20
(4) New Construction for the R.I.N.	1.00
(5) Capital outlay on Tele-communications scheme	3.98
(6) Lump sum payment under the Non-effective Agreement	20.00
<b>Total</b>	<b>59.41</b>

In the revenue portion, the increase of Rs. 1.87 crores in item (2) over the corresponding budget figure is due mainly to the grant of further increases in pay and allowances to the forces in India. The increase of Rs. 118.64 crores in item (3)

is due to the major developments just mentioned and to an under-estimate of the cost of air services in India. The total increase has been counter-balanced to a certain extent by an increase in the amount of receipts on account of Lend-Lease stores supplied to Provincial Governments, Railways, Posts and Telegraphs Department, and other paying indentors, and also to the relief anticipated from India's participation in Mutual Aid from Canada.

As regards the capital portion, the increases under items (1) and (3) are due to further demands for new airfields and the improvement and expansion of existing airfields for both British and American Air Forces in India. There have been further expansions of ordnance factories, dairy farms, etc., which account for the increase under item (2), while the decrease under item (5) is due largely to a carry forward of expenditure connected with the Tele-communications Scheme to the year 1945-46. Item (6) represents the lump sum payment under the Non-effective agreement which I have already explained.

#### Civil Estimates

19. The continuance of war conditions and, at the same time, the necessity to plan for the transition period and the days of peace ahead inevitably involve an increase in governmental co-ordination and control, which is reflected in increased expenditure. Thus civil estimates now stand at Rs. 115.42 crores compared with Rs. 86.38 crores provided in the budget. Honourable Members will find details of the variations in the Explanatory Memorandum on the Budget and I shall confine my remarks here to a few of the more important items.

Provision for Rs. 1½ crores was made in the current year's estimates as central assistance to Bengal for meeting their heavy expenditure on famine relief. Representations were, however, received from the Provincial Government that the grant was inadequate and the position was reviewed. It was finally decided to make an *ex gratia* subvention of half of the direct cost of the famine, subject to a maximum of Rs. 10 crores, of which Rs. 8 crores had already been adjusted in 1943-44. This decision is responsible for an increase of Rs. 5½ crores in expenditure this year.

Another important item is the expenditure involved in paying compensation for damage resulting from the explosions in the Bombay Docks in April last. The House is already familiar with the measures for the relief of the victims announced by the Government of India. The machinery for dealing with claims is at work and steady progress is being made in disposing of them. At present it is not possible to assess accurately the total amount which will be involved, but provision has been made for an expenditure of Rs. 10½ crores this year and Rs. 5½ crores next year. The question of the incidence of this expenditure is under consideration and, pending a final decision as to the sharing of the cost between India and His Majesty's Government, it has been decided to meet the sums involved from general revenues, at the same time transferring from the War Risks Insurance Funds to the revenue account amounts equal to the estimated compensation payable.

20. Consistently with the drive for increased production of food, Government has steadily pursued its policy with regard to the statutory control of prices, procurement by or through its own agencies and extension of rationing which now covers some 42 million people.

In the matter of the procurement of grain, a steady advance has, as I have already mentioned, been made toward Government monopoly. While the object has been to maintain a price-level which will ensure adequate production without imposing too heavy a burden on the consumer, it is not the intention to attempt to bring prices down to pre-war levels and we have announced our readiness to intervene in supporting the market should prices fall unduly.

The steps taken to achieve these objectives, which involve transactions of vast magnitude, have necessarily led to considerable revenue expenditure and outlay of capital.

The same objectives of increased production, and control of distribution and of prices have been pursued in the field of other consumer goods. Price control of cloth has been extended to cover both the imported and exported varieties and a progressive reduction in prices has been achieved. We have recently been able to effect a further reduction in prices which to-day are nearly one-third less than those fixed in 1943. This represents a total overall reduction of approximately 75 per cent. from the peak reached in June 1943.

At the same time the problem of the stabilisation of the prices of Indian cotton within suitable limits has engaged Government's close attention and, in fulfilment of their undertaking to maintain the price above the fixed floor, Government entered the market and purchased during the current year some 2½ lakhs of bales valued at over Rs. 6 crores.

21. The activities of the Supply Department have been directed towards the fulfilment of the same policy. An organisation has been set up in Calcutta for increasing the production of coal and ensuring its equitable distribution among the consuming interests. Schemes for the payment of a bonus to colliery owners on increased raisings and for open-cutting have been introduced, while facilities have been provided for the import of labour into the coal areas and welfare officers have been appointed to look after the interests of mine labour.

The Disposals Directorate has been strengthened and out of some Rs. 5 crores worth of goods reported as surplus, stores and salvage valued at nearly Rs. 2 crores have been disposed of. Closely connected with this aspect of the Supply Department's work are the plans now being laid for dealing with contracts which will have to be cancelled or reduced as war demands lessen. It is essential that steps be taken as soon as the war situation permits to cancel or curtail production so as to avoid the manufacture of redundant stores and the locking up of useful raw materials which are urgently needed for civilian requirements. At the same time the problems involved in the transition from war to peace are being carefully studied with a view to preserving the economy of the country from violent shocks in the process of adjustment.

The value of orders placed by the Supply Department, which was Rs. 256 crores in 1942-43 and Rs. 162 crores in 1943-44, amounted to Rs. 76 crores for the first seven months of the current year. This reduction is due partly to the transfer of responsibility for the procurement of textiles and foodstuffs to the Departments of Civil Supplies and Food and also to a falling off of demands in certain lines.

22. The scheme for financial assistance to evacuees and their families, to which I referred in my last budget speech, has been continued and extended. These measures are now estimated to cost a little over Rs. 1 crore more than the budget provision.

There is one other matter which I should mention, namely, India's contribution to U.N.R.R.A. The House has already agreed that India should participate in this Administration and in implementing that decision, the Government of India have decided that India's contribution should be Rs. 8 crores. A sum of Rs. 1.10 crores is likely to be expended in the current year, for which a supplementary grant will be taken in due course and it is proposed to provide for the remaining Rs. 6.90 crores in the next year's estimates. This sum will be transferred to a special fund to prevent budgetary inconvenience in the future.

I alluded last year to the hardships caused to Government servants by the continued rise in the cost of living, and referred to the measures taken by Government to afford relief. Ameliorative measures in the shape of dearness allowance and concessional issue of food grains still continue. The scheme of dearness allowance to low-paid Government servants was substantially liberalised in March 1944, and its cost this year is expected to be Rs. 3½ crores in respect of Central Government servants other than those paid from Railways and Defence Estimates. We also came to the conclusion in the course of the year that certain other Government servants, who had so far received no cash relief, must also be given an allowance to enable them to meet their essential commitments. We have therefore given, with effect from the 1st July 1944, a war allowance at 10 per cent. of pay to married officers drawing pay up to Rs. 1,000 and at 5 per cent. of pay to single officers whose pay does not exceed Rs. 750. As the House is aware, we have under constant review the problems connected with the rise in the cost of living and its effect on Government servants of all classes and proposals for increasing the scope and extent of the relief already afforded are at this moment under active consideration. Until a decision has been taken it is not possible to evaluate the extra expenditure likely to be involved. The estimates are, therefore, based on the existing scales of relief.

23. The year that is now drawing to a close has thus seen India preparing herself more intensively not only for the launching of the final blow against Japan but also for the tasks of peace that lie ahead. It is inevitable that these great efforts should react on the budgetary position. Thus, while our revised estimates provide for a revenue of Rs. 356.88 crores, expenditure charged to revenue is expected to be Rs. 512.65 crores, resulting in a revenue deficit of Rs. 155.77 crores in the current year.

#### FINANCIAL YEAR, 1945-46.

##### Revenue

24. I turn now to the financial year 1945-46. Our total revenue estimates amount to Rs. 353.74 crores compared with Rs. 356.88 crores in the Revised Estimates for the current year.

Customs Revenue has been placed at Rs. 52.85 crores net, an increase of Rs. 12.85 crores over the revised estimate for the current year. This is based on the expectation of additional imports including a large number of locomotives and wagons. Under Central Excise Duties, we look for an improvement of nearly Rs. 6 crores, half of which is under tobacco. We estimate the total collections of Corporation Tax and Income Tax at Rs. 190 crores. This includes an expected yield of Rs. 90 crores from Excess Profits Tax, the forecast for other taxes on income being the same as the revised estimates for the current year, viz., Rs. 100 crores. The divisible pool of income-tax has been taken at Rs. 57.07 crores and the share available to Provinces at Rs. 24.04 crores.

The revenue of the Posts and Telegraphs Department is expected to be Rs. 30½ crores and expenditure Rs. 20 crores, inclusive of an extra contribution of Rs. 50 lakhs to rehabilitate the Renewals Reserve Fund. The surplus is estimated at Rs. 10½ crores, the whole of which will accrue to general revenues.

##### Expenditure

25. *Defence Services.*—The Budget estimates of defence expenditure for 1945-46 amount to Rs. 394.23 crores and Rs. 17.76 crores for the Revenue and Capital heads respectively. The details are as follows:—

##### Revenue Portion

	(In lakhs of rupees)
(1) Basic Normal Budget	36,77
(2) Effect of rise in prices	19,76
(3) India's war measures	3,28,51
(4) Non-effective charges	9,19

Total 3,94,23

##### Capital Portion

(1) Air Force—Airfields	2,42
(2) Capital outlay on industrial expansion	1,65
(3) Reciprocal Aid—Airfields	10,74
(4) New Construction for the R. I. N.	50
(5) Capital outlay on Tele-communications Scheme	2,55

Total 17,76

In the revenue portion, the increase of Rs. 2.84 crores over the Revised Estimates in item (2) is due to the effect over a full year of the grant of increases in pay and allowances to the forces in India sanctioned during 1944-45. In regard to item (3) there is a reduction of Rs. 5.71 crores as compared with the Revised Estimates which is the net result of various increases and decreases. The principal increase is due to the cause just mentioned while the decreases are the result of (i) a decrease in the "Ceiling" forces certified by H.E. the Commander-in-Chief to be necessary for the defence of India during 1945-46 and (ii) the fact that no repetition of large scale operations within India's frontiers is expected in 1945-46.

Of the decrease of Rs. 41.65 crores under the Capital portion of the Budget estimate as compared with the Revised, Rs. 20 crores is explained by the non-recurring lump sum payment under the Non-effective agreement included in the Revised Estimates. The balance of the decrease is due to the fact that the requirements in the matter of Airfields, etc., for India's local defence air forces are expected to be largely completed in 1944-45, while a reduction during that year in the programme of Airfields construction for the U.S.A. Air Forces in India, for the cost of which India is liable, has also been assumed. The provision made against item (5) represents the carry-forward of expenditure on the Tele-communications Scheme into the year 1945-46.

##### Civil Estimates

26. Civil expenditure shows an increase of approximately Rs. 8 crores as compared with the revised estimates for the current year. This is due mainly to an increase of about Rs. 11½ crores under the head "Interest," resulting from the policy of borrowings to absorb surplus purchasing power, offset by savings under other heads. In the Explanatory Memorandum Honourable Members will find full details and I will not weary the House with further analysis at this stage. The expenditure estimates also contain sums in connection with post-war planning, to which I shall refer more fully at a later stage.

27. I can now summarise the position for the coming year. The expenditure detailed in the Civil Estimates comes to Rs. 123.40 crores and the provision for Defence Services has been placed at Rs. 394.23 crores. The total revenue at the existing level of taxation is estimated at Rs. 353.74 crores. We are thus left with a prospective revenue deficit of Rs. 163.89 crores.

##### WAYS AND MEANS

28. I now come to the Ways and Means section. At this stage last year I made a few introductory remarks in order to explain the changed significance of the ways and means position in the conditions created by the war and to bring into relief the complex economic problems created by war disbursements as well as the extent to which Government are able to re-absorb, by way of taxation and borrowing, the evergrowing quantities of moneys expended by them. In the figures which are published from time to time of Government's rupee balances is reflected the extent to which these and other operations of Government succeed in bridging the gap between our own budgetary requirements and the total outlay on Allied account.

As in previous years, borrowing has been the mainstay of our ways and means programme and no effort has been spared to stimulate lending to Government by the various sections of the public. For the best part of the year, war developments continued to be encouraging, and this was undoubtedly a favourable psychological factor. The total amount invested by the public in various forms of public loans reached Rs. 286 crores during the twelve months beginning with the 1st February 1944 and ending with 31st January 1945. This figure, which approximates to the total receipts for the previous twelve months, must be regarded in the context of the other anti-inflationary measures newly introduced during the year, such as the hundred per cent. immobilisation of excess profits, the "Pay-as-you-earn" income-tax collections and the sales of gold and silver which have also played a not inconsiderable part in mopping up surplus funds. In continuation of the cheap money policy hitherto followed, the Government have, in consultation with the Reserve Bank, framed their borrowing programme so as to make available to the public a wide range of securities. The 3 per cent. Loan 1953-55 (4th Defence Loan) was closed for public issue as from the 1st April 1944, after the total subscription had reached the record figure of Rs. 114.55 crores during its currency of nine months, and, in its place, the tap issue of the First Victory Loan 3 per cent.



1957, was opened. This issue had, up to its closure on the 17th February, yielded about Rs. 110 crores. The demand from banks for a short-term Government security was met in June by the creation of a special re-issue of the 2½ per cent. Loan 1948-52 to the extent of Rs. 50 crores. Continued demand from institutional investors for a long-term loan was also met by the further creation in October of Rs. 35 crores of the 3 per cent. Funding Loan 1966-68 so as to replenish the stock of this loan held in the Government Cash Balance Investment Account. The generally steady conditions in the Government securities market led to a continuous improvement in the price of 3½ per cent. Paper, which reached par for the first time on the 16th November 1944. At this stage, it was considered desirable to meet the demand from existing stock, and during the period mentioned above, Paper worth Rs. 15.11 crores was sold by the Reserve Bank of India on Government account. As in the previous year, Rs. 13.27 crores of new money was subscribed to certain provincial loans floated to repay a part of the Provincial consolidated debt to the Central Government.

I referred last year to the interesting departure from orthodox loan policy that was made in the Premium Bond issue. The sales so far have amounted to Rs. 4 crores which is lower than our expectations, due partly to the fact that the issue has not been intensively publicised and partly to its proving less attractive than at one time seemed probable. We have, however, decided to continue the experimental issue for the reason that it will help to draw off money from a class to whom other forms of investment make no appeal.

The progressive total of public loans since the beginning of the war has, up to the end of January, reached the impressive figure of Rs. 833 crores.

29. The main difficulty that still confronts us in the monetary field is that arising from the unfamiliarity of the rural classes with the various forms of investment in Government securities which are a matter of such every day concern to institutional investors and the urban public generally. In this field we have been fortunate enough to secure the willing co-operation of the Provincial Governments as well as non-official organisations, whose assistance I take this opportunity of acknowledging. The results are reflected in the much better showing of the net deposits in Post Office Savings Bank accounts and in the 12-year National Savings Certificates. Net investment in these and other forms of small savings, that is to say, excess of deposits over withdrawals, continues at the satisfactory rate of nearly Rs. 3 crores a month, due to some extent to the raising of the rate of interest on Savings Bank deposits and, in a larger measure, to the scheme of small Savings evolved last year by the National Savings Commissioner.

Our floating debt, which was Rs. 111 crores at the end of last year stood at Rs. 93 crores on the 31st January, 1945. This is an improvement of a kind one would expect, since the Government's ways and means position from the strictly budgetary point of view must be regarded as very comfortable. The reason why it has not proceeded much further is that we have continued till recently to offer fairly large amounts of treasury bills to the public in order to prevent the structure of money rates being disturbed by an excessive release of funds invested by banks in treasury bills.

Satisfactory as these results are, with the expected prolongation of hostilities near our borders, after the date when the war in the West may reach its termination, it is obvious that we cannot afford to relax our efforts. The requirements of the situation will impose the continuance and possibly even the final intensification, of India's war effort, which includes the finding of the resources required for the war effort of the Allied countries. In other words, the problem of the inflationary gap is still with us, and, judging from recent indications, may call for increased vigilance and control.

30. As I have already said, the various anti-inflationary measures that we have adopted were sustained, and in places extended, during the year. Most of the usual indices responded encouragingly to these measures, and to the very favourable turn in hostilities that the year witnessed. The general index number of wholesale prices of the Economic Adviser, has, for instance, ranged between 240 and 250 approximately since May 1944, and the Calcutta index number has been relatively stationary for the last few months. Honourable Members will find graphs giving the main indices in the Explanatory Memorandum. Cost of living index numbers, generally speaking, have also registered declines in differing degrees since the peak reached during the autumn of 1943, the general picture being one of comparative stabilisation in recent months. There is also evidence that the low rate of turnover of bank deposits characteristic of last year has been maintained, and that there has been, through the greater part of the year, some slackening of the general pace of monetary circulation. There was, moreover, a very marked decrease in the rate of currency expansion, particularly in the first eight months of this year. In the last two months the results have not been so favourable—an indication that we cannot afford to relax our efforts to ensure that surplus purchasing power arising out of Governmental disbursements is canalized into public saving. The Government, on their part, are vigilantly reviewing both the scope for reducing the load on the country's resources constituted by our own and the Allies' war efforts and the possibility of adding to the available supplies of goods required for public consumption. This, indeed, is the main object of the Hydari Mission which, it is hoped, will succeed in reducing the economic load incidental to the use of India as a base for further operations in the East.

The Reserve Bank continued to effect sales of gold on behalf of His Majesty's Government and the Government of the U.S.A. and these contributed substantially to the reduction of the inflationary gap. Sales of Lend-Lease silver, which were commenced in the middle of the year, have further aided in mopping up surplus resources which do not find their way to Government loans.

31. In my last budget speech, I referred to the expected convening of a Conference of all United Nations to consider the plans put forward for international monetary regulation in the post-war period. The United Nations Monetary and Financial Conference, consisting of representatives of forty-four nations, met in July in the United States at the invitation of President Roosevelt, and, as the House is aware, India was represented at the Conference by a delegation in which I was accompanied by the Governor of the Reserve Bank, the Economic Adviser to Government and two distinguished non-officials. The main conclusions of the Conference relating to the establishment of an International Monetary Fund and an International Bank for Reconstruction and Development are recorded in Articles of Agreement to which none of the Governments is as yet committed. The Articles are incorporated in a Final Act of the proceedings of the Conference which have been published. The Indian Delegation have now submitted their report to Government and it will be placed before the House in due course, when the conclusions of the Conference can be reviewed in the light of the action taken on them by the principal countries concerned, in particular by the United States and the United Kingdom.

32. I referred last year to the importance of an orderly liquidation of war balances for the success of any international monetary scheme. The Joint Statement by Experts on which the Conference based its deliberations omitted any mention of this problem, although the original plan of the British Treasury recognised the desirability of some provisions to deal with it, and the first two versions of the United States Treasury plan contained some actual provisions to this end. The Indian Delegation pressed the Conference to provide for partial multilateral clearing of war balances through the machinery of the Fund, in the interest alike of promoting economic development of backward countries and assisting the broad objective of the Fund to secure the expansion of multilateral trade; for the relegation to bilateral channels of the whole of the large area of trading involved in the settlement of war balances might seriously constrict the scope of multilateral transactions. The proposal was, however, negative by the Conference primarily on the ground of the limited size of the Fund in relation to the magnitude of the war balances. The question, therefore, remains one for settlement in direct negotiation with the United Kingdom.

33. On the termination of the Bretton Woods Conference and before my return to India, I spent a short period in London and I took the opportunity of having preliminary talks with His Majesty's Treasury officials on the question of India's sterling balances. Since many of the material data were still incomplete and uncertain, particularly the exporting capacity of Great Britain in the immediate post-war years on the one hand, and the development requirements and absorbing capacity of India on the other hand, these conversations were necessarily directed towards exploring the background for future discussions and the indication of a suitable time-table for more definite negotiations. The vicissitudes of the war in the West have, I am afraid, disturbed the provisional time-table foreshadowed at these talks, and I do not anticipate that any negotiations can be usefully entered upon until after the end of the war with Germany. In view of the lack of definition at this stage of our own development programme, I do not think that the delay should be prejudicial to India's interests. Indeed, it may well prove necessary that any negotiations to be carried on should, in the first instance, be of a

tentative character and should secure both parties an agreed opportunity for review at a later stage when firmer data may be expected to be available.

In the meanwhile, sterling continues to accrue from market purchases and from payments received in London on account of recoverable war expenditure incurred by the Allied Governments in India. During the last eleven months of the current financial year, £248 millions were added to the Reserve Bank's holdings, and it is estimated that allowing for the receipts during the last month of the year, the total holding as on the 31st March 1945 will be of the order of £1,030 millions. It is hoped that the rate of accrual will be slowed down in future both by diversion of some of the demands now made on India to other sources of supply and by an increase in compensatory imports.

It must also be remembered that any payments that will become due from India to H.M.G. for stores required for her post-war defence forces or in connection with terminal adjustments after the war will partly counteract these accretions. So also will the rupee sale-proceeds of surplus stores and other assets belonging to H.M.G. that are disposed of in India. I mention these factors which may operate to mitigate the further aggravation of a problem which is already sufficiently formidable.

34. With the virtual completion of the scheme of repatriation of sterling liabilities of the Government of India, including payments on account of railway and railway debentures referred to in my last budget speech, there was limited scope for the utilisation of sterling during the year, with the exception of £15 millions for the capitalisation of a portion of India's Non-effective charges which I have explained earlier and of £10 millions for the acquisition of the M. & S. M. Railway, the S. I. Railway, and the B. N. Railway. The outstanding sterling liabilities of Government now stand at about £11 millions. The holders are mostly residents of places situated outside the area covered by the Vesting Orders, although small amounts continue to be tendered occasionally.

35. I referred last year to H.M.G.'s willingness to set aside, each year, as a special case, a part of the dollars accruing from India's export surplus to the U.S.A., an amount earmarked specifically for India's post-war development. After a very careful examination of current figures and tendencies, we have agreed to accept an amount of \$20 million for the calendar year 1944 and a similar amount for 1945, subject to re-examination later in the light of the relevant statistics for that year. This figure is, of course, in addition to what we need for current requirements. In agreeing to it, we have recognised that it was both reasonable and necessary, with a view to ensuring the stability of the sterling system in which we are so closely interested, that we should continue to make some contribution to the replenishment of the sterling area reserves, which had been depleted in the common war effort. On the other hand, we have naturally been anxious to make some immediate tangible provision for foreign exchange for the purchase of capital goods likely to be required for India's post-war development purposes, and we feel that the arrangement described represents in the circumstances a fair and valuable concession to this point of view. The relevant figures will be under periodic review and the House may rest assured that at no stage will India's direct interests be subordinated to interests other than those in which she herself has a greater, although indirect, interest.

#### POST-WAR PLANNING

36. Last year I referred to the twin subjects of post-war planning and reconstruction finance, and have but little now to add to the general picture which I then drew. In the matter of detailed planning for post-war development much progress has been achieved during the past twelve months, and the creation of a separate department at the Centre for this purpose and of suitable planning organisations in the Provinces and States bear witness to the determination of the various governmental authorities in this immense country that the end of the war will not find them unprepared for the major campaigns of the peace to follow. But it must be obvious that, so long as war conditions continue not only in India but in all the Allied countries, resources of materials and man-power must remain mobilised for the immediate task of achieving victory. Once that task has been accomplished and the inevitable period of adjustment has passed, it will be possible to initiate the execution of plans for post-war development. These physical limitations to the superimposition of a forward policy of national development on an economy subjected to the strain of total war have their counterparts in the financial sphere. So long as the financial and currency system of the country is overstrained in the maintenance of the war effort or in securing the early stages of transition from war to peace, heavy new expenditure on national development schemes would be dangerous in the extreme. In other words, post-war development must mean and must continue to mean post-war development; and by no magic or optimism can it be made to mean war-time development. The first year or two at least after actual fighting ends will inevitably be for the Centre years of heavy deficit on revenue account. It will be during this period that the Provincial Governments will find of particular value the post-war Reconstruction Funds which they had the foresight and determination to build up while the war was still in progress.

37. While it is indubitable that large scale development projects cannot be initiated so long as war conditions continue, the Government have no hesitation in embarking at once on such preparatory work as is found to be possible and desirable, or in taking any action calculated to secure early results of anti-inflationary value. Thus of late the Government have set up a Central Electrical Power Board, an Irrigation and Waterways Board, a Resettlement and Re-employment Directorate with a network of Employment exchanges, and have established numerous panels of industrialists, assisted by Government personnel, to prepare plans for industrial development. Plans have been laid for high-level technical training abroad, on a large scale but suitably diversified, and steps have been taken to set up a Rs. 10 crore Government fertiliser factory to produce annually 350,000 tons of ammonium sulphate. This general policy the Government intend to continue, and provision for Rs. 1 crore has been made in the Budget for such measures of a like nature as may be found practicable. This provision is over and above that included in the Budgets of the various administrative departments for their planning activities. Should these amounts prove to be less than can usefully be spent the House will be moved to vote such supplementary grants as may be required.

38. I said last year that if any effective development is to take place on the requisite scale in this vast country large amounts of money are bound to be involved; and I expressed my firm conviction that the first pre-requisite of reconstruction finance is a sound financial position, both at the Centre and in the Provinces, secured by the fullest development of their respective taxation resources. I hold that conviction, if possible still more firmly to-day. A vast scheme of national development of the kind contemplated by a number of public leaders and writers, and by the Government, has to be planned for, worked for and paid for. There is no easy road to big achievement in this field. It is essential, therefore, that not only the Centre but also the Provinces should lose no time in developing to the full their financial resources, since it is clear that the combined resources of all will hardly be adequate for the great end in view. For that reason, I feel that those Provinces which made an early start and taxed themselves considerably in excess of their immediate revenue requirements should not, as a result of the favourable financial position in which they find themselves, be prejudiced in the matter of financial assistance from the Centre. It is our hope and intention that in due course a substantial distribution of Central revenues will take place, but the Provinces will, in addition, need all that they themselves can raise if the financial foundations of future development are to be sufficiently broad-based to carry the contemplated load. It is in this context that the Estate Duty Bill, which I hope to introduce later in the Session, must be viewed. For this measure, together with the recent expansion of commodity taxation, should be regarded as the first concrete step towards the building up of a planned and expanding financial system for the future. The reaction of the country to measure such as these will, in my view, constitute the first real test of the seriousness of its intentions in the matter of post-war development. The second effective test will be the response to the Government's efforts to establish a national habit of saving which, with the denial of current consumption which it involves, will be as necessary for development purposes after the war as it is for holding inflationary tendencies in check during the war.

39. It may be appropriate for me, in my last Budget speech, to devote a little more time to the subject of the fiscal means by which the Government of the future may be enabled to fulfil the high hopes now entertained, and to give the outcome of my own reflections on this topic.

Tax revenue depends, in the last resort, on the rate of tax and the national income. The national income, in its turn, is determined by the level of prices and the scale of economic activity. If then, to fulfil the programme of development, India will require a level of expenditure much more closely related to its present than its pre-war scale, a great deal must necessarily turn upon the future price-level and the future level of economic activity. Both these must be taken into account. There is a tendency to argue that the high level of prices which has been reached during the war—when so large a proportion of the productive powers of the nation are devoted to non-civilian ends—must be maintained in the post-war



period, otherwise it will not be possible to raise the necessary resources. I believe this to be a mistaken view. When the productive power of the nation is turned from manufacturing for war to manufacturing for civilian use, there will be a larger supply of goods available and this additional supply must result, in my judgment, in lower prices for those goods. But if simultaneously the total volume of activity deployed during the war can be maintained and increased, the total national income can be maintained and even increased in spite of a fall in unit-prices. It is the maintenance of the aggregate national income in terms of money and not the stabilisation of prices of individual commodities that should be the objective in the years after the war. It may well be that in that period some prices will rise, and some will fall—for it is the inevitable consequence of rapid changes such as those of the last five years that relative price changes should get out of step—nevertheless, our efforts should be directed rather to the maintenance of the aggregate figure upon which the fiscal authorities can operate than upon the guaranteeing to each particular group of producers of the prices which their products may, in certain cases quite fortuitously, have attained during the war.

40. But while it will be necessary in the post-war years to impose taxation of a magnitude comparable with that existing at the present time, it by no means follows that the existing scheme of taxation should continue when the present hostilities have ceased. Excess Profits Tax is an obvious expedient in time of war to secure reversion to the State of a due proportion of any increased profits made by industry in the abnormal conditions then prevailing. Any scheme for the levy of a special tax upon such increase of profits can at best be of a somewhat rough and ready nature, no matter what degree of thought and care have gone to the devising of the enactment that gives effect to it. Moreover, the datum line from which excess profits are measured must inevitably bear less and less relation to current realities as we get further and further from the pre-war years. It is, therefore, to my mind desirable that this war-time expedient should vanish with the emergency that brought it into being.

Repeal of the Excess Profits Tax would not, however, represent a proportionate loss of revenue, for Excess Profits Tax is allowable as a deduction in computing profits assessable to income-tax and super-tax, so that with its repeal, profits assessable to income-tax would be correspondingly increased. Nevertheless, whatever may be the extent and duration of the post-war boom during which industry will be engaged in repairing the ravages of war and whatever may be the scale of the profits that are expected to accrue from the plans for the post-war expansion of industry, taxes on non-agricultural income can hardly be expected to continue to play the overwhelming part in the scheme of national finance that they now do. The projected estate duty on property, other than agricultural property, would be capable of restoring in due course the position as regards the aggregate contribution made by the industrial, commercial and professional classes of the community as such. It has to be remembered, however, that these form but a small proportion of the total population of the country and it will be necessary to secure a further contribution from the remainder.

Agricultural income-taxes would go some way to achieve that end, and this is, in my view, an inevitable development if the Provincial Governments, to whom this source of revenue is allocated by the Constitution, are to play their part in mobilising the resources of the country for the prosecution of the campaign against poverty, illiteracy and ill-health.

41. Our main revenue from commodity taxation has hitherto been derived from customs duties and these are likely to remain a highly important source of revenue for many years. Indeed, in the immediate post-war period, extensive importation of capital goods and replenishment of stocks of urgently needed consumer goods of all kinds may cause customs receipts to soar to unprecedented heights; and though they may decline sharply once the market has built up adequate stocks of goods for general consumption, they are likely to remain buoyant for a number of years. With the growing industrialisation of the country, however, this source of revenue can hardly be expanded and may, indeed, appreciably contract, particularly if the customs tariff should be given a more positively protective complexion; moreover, there are decided objections to burdening capital goods and raw materials with too high rates of duty. As an instrument of commodity taxation, reliance will, therefore, increasingly have to be placed on central excises. The exigencies of war-time finance have already necessitated systematic exploration of this field. New excises have been introduced which are already lucrative and can be expanded; and the law and procedure relating to central excises have been consolidated in a compendious code, which has been so fashioned as to enable the present excises to be enlarged or further excises to be added as the Central Government's finances may, from time to time, require.

42. Another possible major development in the field of indirect taxation lies in the expansion of the sales or turnover tax. This source of revenue has so far been but lightly tapped in India, but increasing recourse to it may be necessary in order to finance schemes for economic expansion. Since the first World War the sales tax has become an important feature of the revenue systems of most leading countries of the world and, in some of them, has rivalled customs and even income taxation. During the present war a purchase tax has been introduced in the United Kingdom, which has not only helped to check inflation in that country but has yielded a very large revenue. In India, the sales tax is a provincial impost and has been applied only in five provinces; and, except in the province of Madras, the yield so far is comparatively small. As with other indirect taxes, care is necessary to prevent the incidence from being too regressive. Problems also arise from uneven incidence in contiguous territories. It would obviously be to the advantage of the consumer and of trade in general if the tax were applied (in so far as may be practicable) in the same manner, at the same rates, and to the same classes of transaction, throughout the country. It is possible that, with the aid of the Central Government, a comprehensive system might be devised and administered on a national basis; the net proceeds accruing to the Governments of the participating units. An all-India tax of this kind would greatly assist the provinces with their plans for development; and if higher rates were imposed on luxury goods, it should also assist in counteracting the inflationary tendencies of a period of expansion.

43. There is one further issue to which I must make reference. Public discussions of the advantages of the State ownership or operation of industry, as against the advantages of private enterprise, are being very actively pursued at the present time, which is natural in view of the intrinsic importance of the question. But, in the public consideration of these matters, I feel that perhaps insufficient attention has hitherto been paid to the question whether it would not be advisable to extend State ownership of industries as a source of additional revenue. It may well be that in the future the State may find it necessary to nationalise certain industries—especially those with large possibilities of expansion—in order that it may have at its disposal additional sources of income for the sustenance of national well-being as a whole.

#### NEW PROPOSALS

44. I return now to the problems of the year immediately ahead. Against a total estimated expenditure, military and civil, of Rs. 517.63 crores, the total revenue at the existing level of taxation is estimated at Rs. 353.74 crores, leaving a revenue deficit of Rs. 163.89 crores. On the assumption that the whole of this gap were to be filled by borrowing, the pattern and proportion of our war-time budget would seem to challenge comparison with that of any belligerent country. We have, however, as I explained in detail last year, to keep in view a larger and more comprehensive target if we are to minimize not merely our own budgetary deficit but the gap between total rupee outgoings, whether on our own or Allied account, and total rupee incomes, whether by taxation, borrowings, sales of bullion or other devices for absorbing surplus purchasing power. Whilst the general picture, in the light of this more exacting objective, gives less cause for satisfaction, I have, on a careful survey, come to the conclusion that no really significant improvement could be effected by any practicable major change in the sphere of Central taxation. The scope for further improvement in this field lies rather, in my opinion, in the direction of greater efforts to combat evasion and in the enforcement of existing tax obligations. I trust that we shall have the support of the House and the country in that policy. For the rest, we must rely on the expansion of our borrowing programme and on the response of the public, born of the gradually widening appreciation of its importance to the maintenance of the economic health of the community, and assisted by the operation of the various controls.

45. In the sphere of direct taxation it is proposed to continue the excess profits tax at the present rate, together with the scheme of compulsory deposits, for a further year up to the 31st March, 1946. As regards income-tax, we have given considerable thought to the problems which will shortly arise in regard to the financing of the re-equipment of industry. Our scheme of war-time taxation has throughout been so devised as not to deplete, and on the contrary to strengthen, the reserves at the disposal of industry for meeting the calls which will be made upon them in the post-war period. In this respect we may, without undue sacrifice of modesty, claim to have shown more foresight than we have been given credit for. Nevertheless we are conscious that the restoration and expansion of the machinery of production will call for some

new form of assistance, and we feel that we are justified in adapting to Indian conditions the measure of relief which has been announced in the United Kingdom. This will take the form of the grant of special initial depreciation allowances in respect of new buildings erected, and new plant and machinery installed, after the 31st March, 1945. These allowances will, in the year in which they are given, be an addition to the usual depreciation allowances and they will not be deductible in arriving at the written down value. They will not be given for E.P.T. purposes. It is proposed to prescribe these allowances by rule but I may state here that the figures I have in mind are 20 per cent. on plant and machinery and 10 per cent. on buildings. Allowances at these rates, in addition to the usual rates, should provide substantial encouragement for the early re-equipment of industry.

46. I am also proposing to allow for income-tax purposes expenditure on scientific research. The proposals follow generally the provisions in the U.K. Finance Act 1944, which have been described by the Chancellor of the Exchequer as "a comprehensive attempt to relieve from taxation altogether funds devoted by industry to the support of fundamental research, to the translation of laboratory research to production and to the full-scale development of the product." The proposals, in brief, are the allowance of current research expenditure as it is incurred, the allowance of payments to recognised research bodies and institutions and the allowance over a period of five years or over the life of the assets, if shorter, of research expenditure of a capital nature.

Provisions for these reliefs, as well as for earned income relief, which I will now explain, are contained in a Bill to amend the Income-tax and E.P.T. Acts which is being put before the House.

47. Differentiation for income-tax purposes between incomes that are earned by personal exertion and incomes that are not so earned has long been a feature of the taxation systems of many countries, including England and the U.S.A. It has been somewhat aptly described as the only method by which the depreciation of the human machine can be adequately recognised in taxation. Recent developments in India have emphasised the inequity of the identical treatment of earned and unearned incomes, and this is an appropriate time at which to introduce this distinction into our system. The Finance Bill provides that there shall be an exemption of one-tenth of earned income subject to a maximum (in terms of income) of Rs. 2,000. The Income-tax Amendment Bill to which I have referred contains provisions for giving effect to this proposal. The exemption will be given only in respect of income which may be described as derived from personal exertion and will not therefore, for example, apply to the income of companies or in respect of dividends, interest on securities or income from property. It will be given only for income-tax and not for super-tax.

The cost of this earned income relief is estimated at about Rs. 3½ crores, of which the Centre will bear Rs. 2½ crores. To make up for this loss I propose to increase by 3 pies the surcharge on slabs of income above Rs. 15,000 and on incomes taxable at the maximum rate. This increase will not apply to Life Insurance Companies whose combined rate of income-tax and super-tax will continue to be 63 pies. It is estimated that this small increase will yield about Rs. 4 crores.

48. In the sphere of indirect taxes, the Customs surcharges which are being levied for revenue purposes during the present abnormal conditions will be continued for another year. In the Central Excise tariff a further change is proposed in respect of tobacco. The improved shipping situation has enabled the limit placed on the proportion of imported tobacco in the more expensive types of cigarette to be raised from thirty to seventy per cent. It is accordingly now proposed that the highest class of flue-cured tobacco in the excise tariff should be subdivided into three and should be subjected to a duty of seven rupees eight annas, five rupees, or three rupees eight annas a pound, according as it is intended for use in the manufacture of cigarettes containing more than sixty per cent., more than forty but not more than sixty per cent., or more than twenty but not more than forty per cent. by weight of imported tobacco. Minor changes include a parallel increase in the rate of duty on flue-cured tobacco intended for any purpose other than those specified in the tariff. Complementary changes to these will be made in the Customs tariff, where the standard rate of duty on unmanufactured tobacco is being raised to seven rupees eight annas a pound, with no surcharge, and the rates for related items—cigars, cigarettes and manufactured tobacco—are being re-fixed so as to correspond. These changes, which will come into effect immediately by virtue of a certificate under the Provisional Collection of Taxes Act, are expected to result in an increased revenue of Rs. 3.6 crores under Excise and Rs. 2.4 crores under Customs, a total of Rs. 6 crores.

49. The only other changes included in the Finance Bill this year relate to postal parcels, the traffic in which continues to increase at a rate with which it is difficult to cope. The rate, which is now 6 annas for the first forty tolas and 4 annas for every forty tolas thereafter, will be raised to a uniform 6 annas for every 40 tolas. It is also intended to raise the surcharge on telephone rentals from one-third to one-half, and that on trunk call fees from 20 per cent. to 40 per cent. The surcharge on ordinary and express telegrams will also be increased by one anna and two annas respectively. The total additional estimated yield of these increases is Rs. 1.35 lakhs.

Excluding the effect of the proposals for relief to industry in respect of re-equipment and scientific research, of which no reliable estimate can be made at this stage, the changes in taxation and in postal and telegraph rates will yield an estimated increased revenue of Rs. 8.60 crores, which would reduce the prospective deficit to Rs. 155.29 crores.

#### Conclusion

50. Though this is the end of my last Budget Speech, the House will be relieved to learn that I do not intend to inflict on it a recital of the financial events of my period of office. So much has happened in these six years—a longer period, I believe, than that of any of my predecessors—and changes of such a scale and complexity have been brought about, that I will not attempt to summarise them. I would rather leave the task to the historian and the economist, who will in due course pass judgment on the handling of these matters. No man who bears so large a share of responsibility as the Finance Member of this Government for the stability of this great country with its enormous population, could fail, during the course of the last few years, to experience the most intense and prolonged anxiety. No man in that position, beset from day to day with harassing problems clamouring for instant solution, could claim that all his decisions had proved to be right. I have been sustained throughout these troublous times by a firm belief that I was acting in the best interests of India. I have been conscious that the difficulties that will arise after the war may be even greater than those of the war, and I have tried, so far as I could, to do nothing that would aggravate them. I have had constantly in mind the thought of the fuller status that India may shortly be expected to achieve, and have endeavoured to order the matters entrusted to me in consonance with that expectation.

51. I am confident that the financial position of this country is one of immense strength, and that it has successfully weathered the violent storms to which it was exposed. It is not merely the extinction of all her external obligations, and the replacement of them by massive assets, but the fact that even her internal unproductive debt must be a far lighter charge on the national income at the new levels which she will obviously be able to maintain in the future. This has been achieved at great sacrifice, but it has none the less prepared the stage for the momentous developments of the years to come.

52. I realise that problems of great difficulty and intricacy still await solution. They are part of a tangle of world problems which is the inevitable heritage of war. In spite of the lessons of the last great war and its aftermath and in spite of all that has been said on the subject during the present war, it has not yet proved practicable to devise and ensure the just allocation of the cost of war among the participants in a common cause. It is not merely the evaluation of enormous material devastation, nor the appraisalment of the extent of sacrifice, in terms of blood and sweat and tears, which has defied all accountancy; it is the proportionate distribution of the final burden among partners of widely varying capacity and with entirely differing standards of living which needs to be effected as equitably in the international field as modern systems of national taxation aspire to do in the domestic sphere. Speaking entirely for myself, I cannot see how the pooling of currently available resources, coupled with the acceptance of the fortuitous location of the ravages of war, can provide a complete solution for problems of this character.

53. Before I sit down, Sir, I should like to take this occasion to express my gratitude to the devoted band of official assistants who have served me so well in times of unparalleled strain and difficulty. Their numbers are sadly restricted, and the demands on them have been unlimited, but they have responded so nobly that I should be failing in my duty if I did not publicly accord them this meed of recognition.

# Report for the Year 1944

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## *Section V.*

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### DOCUMENTS AND STATISTICS.

**NOTE.**—In order to prevent detailed information relating to the movements of Indian trade and shipping from reaching the enemy, the Government of India decided, as a temporary measure, to suspend, with effect from February 1940, the publication of the Monthly Accounts relating to the Sea-borne Trade and Navigation of British India. It has, therefore, become necessary temporarily to suspend the publication of the Statistical Section to the Annual Report of the Association.

**Report for the Year 1944.**

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*Section VI.*

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**RULES AND REGULATIONS.**

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**Rules for Arbitration on Piecegoods, Standard  
Contract Form, Etc., Etc.**

## RULES AND REGULATIONS.

(Revised and adopted down to the Special General Meeting held on 7th August, 1939.)

1. The Association shall be called the Bombay Millowners' Association. Name.
2. The Office of the Association will be situate in Bombay. - 3
3. The objects of the Association are :— Objects of the Association.
  - (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 piecegoods 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) To regulate conditions of employment in the industry conducted or carried on by its members.
  - (o) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Association directly or indirectly.
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. Persons eligible for membership.
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. Definition of the term " member."
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. Voting power of members.
7. Each individual, who, as an individual, shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled either to act and vote on his own behalf or to empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign his name per procuracy, to act and vote on his behalf.
8. Every partner in any firm, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of his firm, and the firm may also empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign the name of the firm per procuracy, to act and vote on behalf of the firm.
9. Every Director of a Joint Stock Company, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company, and the Agent, Secretary or Manager, as the case may be, of such Company, and every partner in any firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, and likewise any one or more persons, who shall have been duly authorized by the Agent, Secretary or Manager, as the case may be, of such Company, or by the firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, to sign either the name of such Agent, Secretary or Manager or the name of such firm, per procuracy, shall also, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company.
10. The name of every person entitled or empowered to act and vote on behalf of any member of the Association, whether such person be the member himself or any other person, shall be notified in writing by such member to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, and if more than one person shall be entitled or empowered to act and vote on behalf of any member, such member shall notify in writing to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, the order of precedence in which such persons shall be entitled to act and vote on behalf of such member.
11. When any member shall notify to the Secretary of the Association that any one or more persons, other than the member himself, is entitled or empowered to act and vote on behalf of such member, such member shall, in such notification, state the capacity in which such person or each of such persons is so entitled or empowered to vote, that is to say, either as a member of a firm or as a Director or Agent or Secretary or Manager of a Company or as the holder of a power to sign per procuracy or otherwise as the case may be.
12. If the name of any person shall be notified as a person empowered to act and vote, on behalf of a member by virtue of being the holder of a power to sign per procuracy the notification shall be accompanied by the document authorizing such person to sign per procuracy, in order that the same may be registered by the Secretary, and the Secretary shall, after registering the document, return it to the person who sent it.
13. The Association shall provide a Register, to be called " Register of members and of persons entitled to act and vote for members " (hereinafter in these rules referred to as " the said Register " ), and the names of all members of

the Association shall be entered in the said Register together with the name of each person entitled or empowered, in accordance with these rules, to act and vote for such members, so soon as the name of such persons and all particulars regarding him and all formalities shall have been duly notified and observed in accordance with these rules, and when the name of more than one person shall have been notified as entitled to act and vote for any one member of the Association, the names of such persons shall be numbered in the order of precedence in which such persons are entitled to act and vote for such member.

14. No person shall be entitled to act or vote on behalf of any member of the Association unless and until his name shall have been entered in the said Register as a person entitled to act and vote for such member.

15. If two or more persons, who shall be entitled to act and vote on behalf of one and the same member of the Association, shall be present at any meeting of the Association, that one, who takes priority in the order of precedence in the said Register, shall alone be entitled to vote at such meeting.

16. If any one person shall, according to these rules, be entitled to act and vote for more than one member of the Association, such person shall be entitled to act and to exercise the right of voting, according to these rules, for each member, on whose behalf he is entitled to act and vote.

Mode of electing members.

17. Members of the Association shall be elected, by ballot, in the manner hereinafter mentioned.

18. Every candidate for election as a member of the Association must be proposed by one member of the Association and seconded by another, and a letter of proposal signed by the proposer and seconder must be sent to the Managing Committee of the Association (hereinafter called "the Committee").

19. After the receipt by them of a proposal duly made and seconded according to these rules of a candidate for election as a member of the Association, the Committee shall fix a day for the commencement of the ballot for the election of such candidate.

20. Not less than seven days before the day so fixed as aforesaid for the commencement of the ballot for the election of any candidate, notice in writing shall be given by the Committee to all members of the Association of the name of the candidate and of his proposer and seconder and of the date so fixed as aforesaid for the commencement of the ballot for the election of such candidate.

21. The Committee shall, before the day appointed for the commencement of the ballot for the election of a candidate for membership of the Association, appoint a scrutineer for such election.

22. The Association shall, for the purposes of all elections by ballot, provide a ballot-box with a lock and key and with an aperture sufficiently large to admit of the deposit therein of voting papers.

23. Before the time appointed under these rules for the commencement of the ballot for the election of any candidate for membership of the Association, the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same, and the same shall not be opened until after the expiration of the full time appointed for such ballot.

24. The Committee shall provide voting papers for the election of a member of the Association in such form as they shall, from time to time, think fit and shall send one of such voting papers to each member of the Association, not less than seven days before the day fixed according to these rules for the commencement of the ballot for the election of any candidate for membership of the Association.

25. If any person entitled or empowered to vote concerning the election of a candidate for membership of the Association shall desire to exercise his right of voting he shall fill up a voting paper in accordance with the directions contained therein stating whether he votes for or against the election of such candidate and shall sign the paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

26. Voting papers may be deposited in the ballot-box in accordance with these rules at any time between the hours of 10-30 a.m. and 4 p.m. on the day appointed for the commencement of the ballot or on any one of the six succeeding days, exclusive of Sundays or Gazetted Holidays.

27. The ballot-box shall, at 4 p.m. on the seventh of the days appointed for the election of any candidate for membership, be opened by the Secretary in the presence of the scrutineer, and the votes shall be counted and scrutinized by the scrutineer, and the scrutineer shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

28. No candidate for election as a member shall be deemed to have been elected, unless the number of votes recorded is greater than one-fourth of the total number of the votes which would have been recorded if all members had voted. One adverse vote in every six votes recorded shall exclude. The result of every election shall be recorded in the Minutes of the Proceedings of the Committee.

29. If any candidate for election as a member of the Association shall not be elected, his proposer shall be informed of his non-election by the Secretary.

30. Particulars of the voting for the election of any candidate for election as a member of the Association shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to anyone whomsoever.

31. A candidate, who shall have been proposed for election as a member of the Association and shall not have been elected, shall not be again eligible for election as a member of the Association until after the expiration of six months from the date of the election at which he shall not have been elected.

32. If a candidate for election as a member of the Association be elected, his election shall be notified in writing by the Secretary to his proposer and likewise to the candidate himself, and a copy of the last annual report of the Association and also a copy of the Rules of the Association, together with a bill for the entrance fee payable by such member on election and the amount of the annual subscription payable in accordance with these rules shall be sent to him by the Secretary.

Membership subscription.

33. Every member who shall after the date on which these rules shall come into force be elected a member of the Association shall pay on election an entrance fee of Rs. 100.

34. Every member who shall after the date on which these rules shall come into force be elected a member of the Association after the 1st January but before the 1st October in any year shall in addition to the entrance fee pay such proportion of the annual subscription for that year as shall be attributable to the period between the date of election and the 31st December of that year. Every member similarly elected after the 30th September in any year shall pay in addition to the entrance fee one-quarter of the annual subscription for that year.

35. Each member of the Association shall pay the annual subscription to the Association which may from time to time be determined by the Committee. Provided that the resolution of the Committee determining such annual subscription shall be passed by a majority of not less than two-thirds of the members of the Committee present at a special meeting called for the purpose of determining such subscription.

36. Annual subscriptions shall be payable in advance on the 1st January in each year in respect of the period from the 1st January to the 31st December in that year, and a member shall not be entitled to exercise any of the privileges of membership if his subscription is more than two calendar months in arrear.

37. The Committee of the Association shall, in the case of mills which remain entirely closed for one calendar year or more for causes not due to a strike or a lock-out, be empowered to remit the ordinary membership subscription, and to substitute therefor a subscription of Rs. 100 only for each calendar year during which the mills remain entirely closed.

38. A member who shall fail to pay his subscription for a period of three calendar months after it has become payable shall, *ipso facto*, cease to be a member of the Association and his name shall forthwith be removed from the said Register. Provided that the Committee may, for good cause shown for such non-payment of the subscription as to which the decision of the Committee shall be final and binding upon the member in default, and upon payment of the subscription in arrear, revoke the cancellation of membership and order the name of such member to be reinstated in the said Register. Subscriptions in arrear shall be treated as a debt due to and recoverable by the Association.

39. Each member shall, on election to the Association, sign a form of adherence to the rules of the Association in the form from time to time approved by the Committee and until such form shall have been signed a member shall not be entitled to exercise any of the privileges of membership.

Form of adherence to be signed by members.

40. Every member of the Association shall have power to terminate his membership thereof by giving not less than three calendar months' previous notice in writing (expiring at any time) to the Secretary of the Association of his desire to terminate such membership and upon the expiration of any such notice such member shall cease to be a member of the Association and his name shall forthwith be removed from the said Register.

Mode of resigning from membership

41. The affairs and funds of the Association shall be managed by a Managing Committee hereinbefore and hereinafter called "the Committee" to be constituted as hereinafter mentioned.

The Committee, its constitution and mode of election

42. The members of the Association shall, in each year between the 1st and the 31st day of January, elect the Committee from amongst the list of persons whose names appear in the said Register as persons entitled to act and vote for members.

43. The Committee shall consist of a Chairman, a Deputy Chairman and not more than eighteen ordinary members, making a maximum of twenty members in all.

44. The Committee, holding office for the time being, shall appoint a day between the 1st and the 31st day of January in each year for the election of the Chairman, the Deputy Chairman and the eighteen ordinary members of the Committee for the ensuing year, and shall cause notice of the day so appointed for such election as aforesaid to be advertised in at least one English and one Vernacular newspaper published in Bombay.

45. The Secretary of the Association shall also give to each member of the Association not less than seven days' notice in writing of the day appointed for the said elections and of the names of all authorized representatives of members who are eligible for election as members of the Committee.

46. The members of the Committee shall be elected by ballot.

47. The Committee shall, before the day appointed for the said election, appoint a scrutineer for each of the said elections.

48. Before the time appointed under these rules for the commencement of the ballot upon the day appointed for the said elections the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same and the same shall not be opened until 4 p.m. upon that day.

49. The Committee shall provide separate voting paper for

(a) the election of a Chairman of the Committee,

(b) the election of a Deputy Chairman of the Committee,

(c) the election of eighteen ordinary members of the Committee.

in such form as they shall, from time to time, think fit and shall send to each member of the Association not less than seven days' before the day fixed for the said elections, one voting paper in respect of the election of the Chairman, one voting paper in respect of the election of the Deputy Chairman and one voting paper in respect of the election of the ordinary members of the Committee.

50. On the day appointed for the said elections voting shall commence at 10-30 a.m. and terminate at 4 p.m.

51. If any person entitled or empowered to vote concerning the election of the members of the Committee shall desire to exercise his right of voting, he shall, in the case of the election of a Chairman, write on a voting paper relative to the election of a Chairman the name of the person representing a member of the Association who he desires should be appointed such Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of a Deputy Chairman, write on a voting paper relative to the election of a Deputy Chairman the name of the person representing a member of the Association who he desires should be appointed such Deputy Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of the eighteen ordinary members of the Committee, write on a voting paper relative to the election of the ordinary members of the Committee, the names of the eighteen persons representing members of the Association who he desires should be appointed as ordinary members of the Committee as aforesaid and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

52. Voting papers regarding the elections of a Chairman, Deputy Chairman and the ordinary members of the Committee may be deposited in the ballot-box in accordance with these rules between the hours of 10-30 a.m. and 4 p.m. on the day which shall have been appointed under these rules for such elections.

53. At 4 p.m. on the day appointed for the said elections the ballot-box shall be opened by the Secretary of the Association in the presence of the scrutineer and the votes shall be counted and scrutinized by the scrutineer, who shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

54. Particulars of the voting for the election of the members of the Committee shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to anyone whomsoever.

55. Those persons in whose favour the largest number of votes shall have been cast for the respective appointments of Chairman, Deputy Chairman and ordinary members of the Committee shall be deemed to have been appointed Chairman, Deputy Chairman and ordinary members of the Committee respectively.

56. Two representatives of any one member entitled under Rule 6 to ten votes or less shall not be on the Committee at the same time; and if two representatives of any one such member shall be elected to serve on the Committee at the same time, the election of that representative who obtains the lesser number of votes shall be void. In case of an equality of votes, the Chairman of the retiring Committee shall have a casting vote.

57. No member of the Association shall vote for more than one Chairman, one Deputy Chairman and eighteen ordinary members of the Committee.

58. If any person who shall have been elected according to these rules either as Chairman of the Committee or as Deputy Chairman of the Committee shall decline to accept the appointment there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be.



59. If any person who shall have been elected in accordance with these rules as an ordinary member of the Committee shall decline to accept the appointment the person who shall have received the next largest number of votes shall be considered to have been elected, and if there shall be no such person then the vacancy shall be filled by the retiring Committee.

60. If in any ballot for a Chairman or Deputy Chairman of the Committee there shall be an equality of votes for the appointment, there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be. If in any ballot for the election of the eighteen ordinary members of the Committee there shall be an equality of votes for the eighteenth appointment, the Chairman of the retiring Committee shall have a casting vote.

61. The new Committee shall take office upon the conclusion of the first Annual General Meeting of the members of the Association held after their election, and shall continue to hold office until the conclusion of the next Annual General Meeting of the members of the Association, when they shall retire but shall be eligible for re-election.

62. If any member of the Committee shall be absent from the regular meetings of the Committee for more than three consecutive months he shall, unless he shall have previously obtained leave of absence from the Committee, be deemed to have vacated his office.

63. When any vacancy other than a vacancy in the office of Chairman or Deputy Chairman shall occur in the Committee, the members of the Committee shall have power to appoint any duly qualified person to fill such vacancy who shall hold office until the conclusion of the next Annual General Meeting of the members of the Association when he shall retire but shall be eligible for re-election. Similarly if any member of the Committee shall have previously obtained leave of absence from the General Meetings of the Committee, the members of the Committee shall have power to appoint any duly qualified person to act as a member of the Committee during the absence of such member.

64. If any vacancy other than a temporary vacancy shall occur in the office of Chairman or Deputy Chairman of the Committee, such vacancy shall be filled by the election according to these rules by the members of the Association of any duly qualified person. A temporary vacancy may be filled by the members of the Committee from their own number.

65. The Chairman of the Committee shall, if present, preside at all meetings of the Committee held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and failing both, the chair shall be taken by one of the members of the Committee who shall be appointed by the other members of the Committee present at such meeting.

66. In case of a tie in voting in Committee the Chairman for the time being shall have a casting vote in addition to his own vote.

67. Five members of the Committee shall constitute a quorum.

68. The Committee shall meet at least once in every month.

69. The Committee shall have power to require from any member an explanation as to any act done or conduct pursued by such member which in the opinion of the Committee shall be in contravention of the rules of the Association or to the detriment or discredit of the Association or shall be injurious to the welfare and interests of the Association. If any such explanation shall be refused or having been given shall be deemed unsatisfactory, the Committee shall cause a Special General Meeting of the Association to be convened to consider the acts and conduct of such member; and the Association shall have power if a quorum be present at such Special General Meeting to resolve by a majority of not less than two-thirds of the votes cast at the meeting to declare that such member is expelled from the Association.

70. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association and shall not be entitled to claim any refund on account of subscription which may have already been paid.

71. Previous to each Annual General Meeting of the members of the Association the Committee shall prepare a report of the proceedings of the Association during the year prior to such General Meeting and shall cause the same to be printed and shall send at least one printed copy thereof to each member of the Association not less than seven days prior to the date fixed for the said Annual General Meeting. The Committee may also, if they see fit to do so, send any one or more copies of the said report to any individual or Corporation or Association to whom or to which they may think it desirable in the interests of the Association to send the same.

72. The Committee shall have authority to appoint Solicitors to the Association and the Committee may consult them whenever they deem it expedient to do so.

73. The Committee shall have authority at any time and from time to time, if for any reason they shall consider it advisable to do so, to attach to the office of the Chairman of the Committee a remuneration or honorarium of such amount, and to operate from such date and for such period as the Committee may determine, and such remuneration or honorarium shall be met from the revenues of the Association.

74. At the first meeting of the Committee held after the holding of the Annual General Meeting of the members of the Association in each year, the Committee shall appoint three or more of their number to form a Sub-Committee for the purpose of deciding questions other than arbitrations, arising under the rules of the Association relating to the registration of trade marks, and the decision of such Sub-Committee on such question shall have the same effect as if given by the entire Committee. Any vacancy which may from time to time occur in any such Sub-Committee shall be filled by the Committee by the appointment thereto of another member of the Committee.

75. The Committee may from time to time appoint a Sub-Committee to investigate and to report upon any matter whatsoever and may invite any member of the Association not being a member of the Committee to serve on any such Sub-Committee, or may consult any outside authority if for any special reason such a course may seem to them advisable.

76. Sub-Committees other than a Sub-Committee appointed under Rule 74 shall have no executive or substantive power or authority, and the duty of every Sub-Committee shall be to report to the Committee the result of its investigations, deliberations or other proceedings.

77. A Secretary of the Association shall be appointed and his remuneration shall be fixed by the Committee. The Secretary shall devote himself entirely to the business and affairs of the Association except in cases where he has received the special permission of the Committee. He shall have charge of all correspondence and shall keep an account of the funds of the Association and of funds connected with or in any way controlled by the Association. He shall have the care of the rooms, furniture, library, pictures and of all documents belonging to the Association. He shall give notice as desired by the Chairman or Deputy Chairman of all meetings of the Association, of the Committee, of the Departmental Committees and Sub-Committees of the Association and of all Associations working in connection with the Association. He shall duly notify members of their election, collect all dues from members of the Association or from any Committee or any Association working in connection with the Association. He shall prepare the Annual Report of the Association and the reports of all Committees and of all Associations connected with the Association under the guidance of the Chairman and the Committee and generally shall perform all such duties as are incidental to his office and generally act under the orders of the Chairman or in his absence of the Deputy Chairman and the Committee. In all matters appertaining to the detailed duties of his office as above enumerated he shall follow the policy and instructions laid down by the Chairman or in the absence of the Chairman by the Deputy Chairman.

78. An Assistant Secretary of the Association may be appointed, and if so appointed, his remuneration shall be fixed by the Committee. The Assistant Secretary shall during any temporary absence of the Secretary, owing to sickness

The procedure to be adopted by the Committee in conducting business.

Power of the Committee.

Duties of Secretary and Assistant Secretary.



or any other cause or during the absence of the Secretary on leave perform all or any of the duties of the Secretary as may be assigned to him.

79. Minutes of all proceedings of the Committee shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him! This book shall be open to the inspection of any member of the Association at any reasonable time. Minutes Book of the Committee.

80. A general meeting of the Members of the Association to be called the Annual General Meeting shall be held in each year at such time as the Committee may appoint. General Meetings of Members.

81. The Committee may also at any time call a General Meeting should it seem to them expedient to do so.

82. If any four members of the Association shall by a requisition in writing signed by the said four members respectively addressed to the Committee and containing a statement of their reasons for the requisition request the Committee to call a General Meeting of the members of the Association the Committee shall call such General Meeting to be held within fourteen days after the receipt by the Committee of the said requisition, and if the Committee shall refuse or neglect to call such General Meeting to be held within the time aforesaid, the said four members who shall have signed the said requisition, shall have power themselves to call such General Meeting to be held on such day as they themselves shall appoint.

83. Seven clear days' notice of every Annual General Meeting shall be given by advertisement in at least one English and one Vernacular newspaper published in Bombay and seven clear days' notice shall also be given to members of every Special General Meeting except Urgent General Meetings specially convened by the Chairman or the Committee.

84. No business shall be transacted at any General Meeting unless a quorum according to these rules shall be present at such meeting.

85. At any General Meeting a quorum shall be constituted if the number of votes of the members represented at the meeting shall exceed 25 per cent. of the total number of votes of all the members for the time being of the Association.

86. If on the day originally appointed for holding a General Meeting a quorum according to these rules shall not, within thirty minutes of the time appointed for the commencement of the meeting, be present, the meeting shall be adjourned to such time on such day not being less than 10 days thereafter as the Committee may determine and if a quorum shall not, within fifteen minutes after the time appointed for the commencement of such adjourned meeting, be present, the members then present shall constitute a quorum and may transact the business for which the meeting was convened.

87. Whenever any meeting shall be adjourned under Rule 86 on the ground that a quorum was not present within the prescribed time, seven clear days' notice shall be given by the Committee by advertisement in at least one English and one Vernacular newspaper published in Bombay of the day and time to which such meeting shall have been adjourned.

88. The Chairman of the Committee shall, if present, preside at all General Meetings of the members of the Association held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and, failing both of these, the chair shall be taken by one of the members of the Committee, who shall be appointed by the other members of the Committee, present at such meeting.

89. The voting at any General Meeting shall be in the first instance, by show of hands, but this shall not preclude any member present from demanding a poll. If a poll is demanded the number of votes to which each member shall be entitled shall be calculated in accordance with Rule 6. The result of a poll shall supersede a vote taken by show of hands. In the case of a tie in voting at any General Meeting the Chairman for the time being of the meeting shall have a casting vote.

90. Minutes of all proceedings at every General Meeting of the members of the Association shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time.

91. Every resolution which shall have been duly passed according to these rules at any General Meeting of the members of the Association shall be binding upon all the members of the Association.

92. All proposals or recommendations for concerted general action respecting the mills which the Committee of the Association may consider to be concerned in respect to a strike, lockout, short-time working or organized lessening of production, payment of bonus, increases or reductions in wages, or any other matter whatsoever, shall only be adopted if passed by a majority of not less than 85 per cent. of the votes cast at a Special General Meeting duly called for the purpose of considering such proposals or recommendations. Special General Meeting for concerted general action.

93. Any member of the Association who shall contravene the terms of any proposal which has been approved and adopted by the members of the Association under Rule 92 hereof shall be liable to be summarily expelled from the Association by a resolution of the Committee declaring that such member is expelled; provided that such resolution shall be passed by a majority of not less than three-fourths of the members of the Committee present at a Special Meeting called for the purpose of considering such contravention. Expulsion of members for contravening resolutions adopted at the General Meeting.

94. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association, and shall not be entitled to claim from the Association any refund on account of subscription which may have already been paid.

95. A firm or Joint Stock Company or other Corporation which shall be expelled under the last preceding rule shall be eligible for re-election after the expiry of six months from the date of expulsion provided not less than three members in addition to the proposer and seconder concur in the proposal for re-election.

96. The control of the funds of the Association shall be vested in the Committee, who in addition to the powers expressly conferred on them by these rules may exercise all such powers, and do all such acts and things as may be exercised or done by the Association and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting, and in particular may from time to time at their discretion raise or borrow or secure the repayment of any sum or sums of money in all respects as they think fit. Funds and properties of the Association.

97. If at any time during the year the funds at the disposal of the Committee are insufficient or are likely to be insufficient to defray the estimated expenditure for the remaining portion of the year, then the Committee shall, in such case, call a General Meeting of the members of the Association and lay the accounts of the Association before such meeting.

98. The Committee shall cause proper books of account to be kept of the transactions of the Association and of the assets, credits and liabilities thereof, which books of account shall be kept at the office of the Association or at such place or places, and in the charge of such person or persons as the Committee may from time to time direct.

99. At least seven days previous to each Annual General Meeting of members of the Association the Committee shall send to each member of the Association a duly audited income and expenditure account, and a balance sheet, containing a summary of the property and liabilities of the Association and made up to the 31st December of the year immediately preceding the meeting, and such account and balance sheet shall be laid before the members at the Annual General Meeting of the Association in each year.

100. The Committee for the time being shall have power to invest and deal with any of the moneys of the Association not immediately required for the purposes thereof in such securities and in such manner as they may think fit and from time to time to vary or realize such investments.

101. The Committee shall have the power to determine the manner in which bills, loans, receipts, acceptances, endorsements, cheques, releases, contracts and documents shall be signed or executed by and on behalf of the Association.

102. There shall be two Trustees of the Association and the first Trustees shall be Mr. H. P. (now Sir H. P.) Mody and Mr. Ratansi D. Morarji. Subsequent Trustees shall be appointed by resolution of the Committee. Any person for the time being entitled to act and vote for a member shall be eligible as a Trustee. Any Trustee who shall cease to be entitled to act and vote for a member shall *ipso facto* cease to be a Trustee. Any Trustee may be removed by a majority of three-fourths of the members of the Association present at a meeting duly convened for the purpose of considering such removal.

103. All the funds and properties of the Association shall be vested in the Trustees who shall have the custody of all securities and documents of title relating thereto and shall deal with and dispose of the same and the income thereof in accordance with the written directions from time to time given to them by the Committee for the time being.

Responsibility of  
the Chairman,  
Deputy Chairman,  
Secretary and  
members of the  
Committee.

104. Neither the Chairman, Deputy Chairman, nor any ordinary member of the Committee nor the Secretary nor any Trustee shall be answerable for anything other than his own acts or defaults, nor shall he be answerable for any act done by him for the sake of conformity only, nor for any moneys of the Association other than such as shall come into his own hands, nor for any collector or receiver of moneys appointed by the Committee; nor for any misfortune, loss or damage, happening to the Association by reason of any deed done or executed by him as a Chairman, Deputy Chairman or ordinary member of the Committee or as Secretary or Trustee, nor by reason of any error in judgment or mere indiscretion on his part in the performance of his duties, nor otherwise on any account, except for wilful negligence or fraud. Every person being Chairman, Deputy Chairman, or an ordinary member of the Committee or Secretary or Trustee of the Association, his heirs, executors or administrators shall at all times be indemnified and saved harmless out of the funds of the Association from and against all costs, losses, damages and expenses whatsoever incurred or sustained by him in the execution of his power or duties, and every person having been or being a Chairman, Deputy Chairman, or ordinary member of Committee or Secretary or Trustee of the Association, his heirs, executors and administrators shall be indemnified and saved harmless out of the funds of the Association against all actions, suits, claims and demands whatsoever brought or made against him or them in respect of any engagement of the Association save such as may be incurred by his own personal wilful neglect or default.

The date when  
the rules come into  
force and the mode  
of altering the  
rules.

105. These rules shall come into force on the First day of March 1925 on which date the present rules shall stand cancelled. No alterations in these rules shall be made save and except by a majority of not less than three-fourths of the votes cast at a General Meeting of the members of the Association duly convened and held for the purpose of considering such alteration, the terms of which shall have been fully set forth in the notice convening the meeting.

*Note.*—With reference to Rule 102, the present Trustees are Mr. Dharamsi M. Khatau and Mr. Krishnaraj M. D. Thackersey.

# RULES FOR ARBITRATIONS ON INDIAN PIECEGOODS AND YARN.

(Revised and adopted down to 24th November 1944.)

**PREAMBLE.**—Whereas it is desirable that disputes and questions arising out of contracts for the sale and purchase of Indian piecegoods and yarn which fall to be submitted to arbitration in accordance with the Rules of the Millowners' Association, Bombay, shall be speedily and economically decided by persons having expert knowledge, the following Rules have been framed for the conduct of such arbitrations:

1. In these Rules unless the context otherwise requires:—

“The Association” means The Millowners' Association, Bombay.

“The Committee” means the Committee for the time being of the Association.

“Member” means a member of the Association.

“The Secretary” means the Secretary or Acting Secretary for the time being of the Association.

Words importing the singular number only shall include the plural, and the converse shall also apply.

2. These Rules shall apply to any dispute or question arising out of any contract for the sale and purchase of Indian piecegoods or yarn entered into between a member and a non-member and between the selling agents of a member and a non-member and between any other parties which provides for arbitration in accordance with these Rules.

3. The Committee shall select triennially a panel of Arbitrators consisting of 30 persons, of whom fifteen shall be selected from representatives of members and fifteen shall be selected in consultation with the Bombay Country Fancy and Grey Piecegoods Merchants' Association, from dealers in Indian-made piecegoods or yarn.

Panel of Arbitrators.

4. The Committee shall also select triennially from the panel of Arbitrators selected in accordance with Rule 3, a panel of ten persons to act as Umpires.

Panel of Umpires.

5. If a member of the Arbitrators' or Umpires' panel shall resign or refuse to act without a reason satisfactory to the Committee or become incapable of acting or shall die a vacancy shall be deemed to have occurred and the Committee shall forthwith select in accordance with Rule 3 or Rule 4 as the case may be some other person to fill such vacancy.

6. The Secretary shall keep a record, in the form, from time to time prescribed by the Committee, of all arbitrations conducted by the Association and of the awards made therein, and shall collect all fees in connection therewith and do all such things as are prescribed by or are necessary under these Rules.

7. (a) The parties to a dispute or question may appoint an arbitrator selected from the panel of arbitrators to act as sole arbitrator or

Appointment of Arbitrators.

(b) Either party to the dispute or question may appoint an arbitrator selected as aforesaid to act on his behalf and the Secretary shall immediately upon receipt of notice of such appointment give written notice thereof to the other party and shall call upon the other party to appoint within 10 days of the receipt of such notice an arbitrator selected as aforesaid to act on his behalf, and if such other party shall fail to make such appointment within the prescribed period the dispute shall stand referred to the arbitrator appointed by the first party as sole arbitrator.

Reference to sole Arbitrator if second Arbitrator not appointed within 10 days.

(c) No person shall be appointed to act as arbitrator under these Rules whose consent to so act shall not previously have been obtained.

Arbitrators not to be appointed without previous consent.

(d) The appointment of an arbitrator under these Rules shall be made on the form prescribed by the Association, which form shall be signed by the person making the appointment, and submitted to the Secretary for necessary action.

Appointment of arbitrators to be made on the form prescribed by the Association.

(e) All applications for appointment of an arbitrator or arbitrators shall be accompanied by a deposit by each party of Rs. 100, or such other sum as the Committee may direct, as a deposit against the expenses of the arbitration.

Where the award is silent as to the expenses of the Arbitration the expenses shall be borne equally.

If the expenses of an arbitration whether not awarded or awarded or any part thereof remain unpaid by the party liable therefor for a period of 10 days after the award is made, the Secretary shall appropriate the deposit of the party in default or a portion thereof towards the amount recoverable from such party. On payment of all expenses of the arbitration the parties shall be entitled to a refund of such sums as they may be entitled to.

8. No party to a dispute or question shall appoint an arbitrator, and no person shall consent to act as arbitrator, who is or whose employers are interested directly or indirectly, in the subject-matter of the dispute or question. Any appointment made in contravention of this rule shall be deemed to be invalid and of no effect.

Arbitrators to be disinterested.

9. When two arbitrators are appointed they shall, before proceeding with the reference, select from the Panel of Umpires an umpire, who is willing to act, and communicate his name to the Secretary.

Appointment of Umpire by Arbitrators.

10. If the arbitrators are unable to agree as to the umpire they shall proceed with the reference and notify the Secretary of their disagreement, and the Committee shall thereupon select a person from the Panel of Umpires to act as umpire. No person shall be appointed to act as umpire either by the arbitrators or the Committee who is or whose employers are interested either directly or indirectly in the subject-matter of the dispute or question. Any appointment made in contravention of this rule shall be deemed to be invalid and of no effect.

11. The arbitrators shall fix a time and place for the hearing of the reference and notify the Secretary thereof. The date so fixed shall be not later than 10 days after their appointment. The Secretary shall forthwith notify the parties of the time and place appointed.

12. Parties to the reference shall attend at the time and place appointed for the hearing of the reference, either in person, or (subject to the provisions of Rule 18) by any person duly authorised by them acquainted with all matters in dispute or in question and they shall if so required by the arbitrators submit written statements of their respective cases to the arbitrators and answer all material questions relating to the dispute or question.

Submission of statements.

13. Parties to the reference shall, if required, submit to be examined by the arbitrators on oath or solemn affirmation or otherwise in relation to the matters in dispute or question.

14. At the time appointed for the reference the parties shall have ready at the rooms of the Association or elsewhere as directed the sale samples duly attested, and if required sample packages or complete bales. Samples, packages or bales so sent will be at the sender's risk and must be accompanied by a peon in charge and by a cooper to open the packages.

Samples for inspection.

15. The parties to the reference and all persons claiming through or under them respectively shall produce before the arbitrators all books, deeds, papers, accounts, writings and documents within their possession or power which may be required or called for and do all other things which during the proceedings on the reference the arbitrators may require.

16. The arbitrators shall have general authority to require from either or both of the parties to the reference such further statements, explanations, and other information, evidence and materials as they may consider necessary for the adjudication of the dispute or question.

16A. The arbitrators or umpire may, from time to time with the consent of all the parties, by endorsement on the reference paper, extend the time for making an award by a period not exceeding 28 days from the due date or extended due date of the award.

17. The arbitrators shall proceed with the reference and make an award *ex-parte* in the absence of any party who shall after due notice refuse or neglect to attend without having satisfied the arbitrators that good and sufficient reason exists for such neglect or refusal.

18. No party to a reference shall, without the express permission of the arbitrators be entitled to appear by counsel, attorney, advocate or pleader, or insist on or require the arbitrators to hear or examine witnesses or receive oral or documentary evidence other than what is deemed necessary by the arbitrators.

19. The arbitrators or umpire may, before making an award, and at the joint expense of the parties to the reference, consult counsel or solicitors to be selected by them, arbitrators or umpire as the case may be, on any question of law, evidence, practice or procedure arising in the course of the reference.

20. The arbitrators when called upon to do so by either party may, if they think fit to do so, make an interim award.

21. If the arbitrators fail to make an interim award or to agree upon an interim award within seven days after they shall have been called upon to do so, the Secretary shall forthwith call upon the umpire to enter upon the reference to the extent of the matters in respect of which the arbitrators were called upon to make an interim award and to make an interim award within seven days of the matter being referred to him and the umpire shall within such time make an interim award.

22. The arbitrators shall, notwithstanding that the umpire shall have made an interim award have power to make an award upon the matters in dispute still outstanding between the parties.

23. The arbitrators shall make an award in writing in the form prescribed by the Association or notify their disagreement to the Secretary as early as possible and in any case within 28 days from the date of the first hearing of the reference or within the period of any permitted extension of time.

24. If the arbitrators fail to make an award or to agree upon their award (not being an interim award under Rule 20 hereof) within the prescribed period or any permitted extension thereof, the Secretary shall forthwith call upon the umpire to enter upon the reference and the umpire shall thereupon proceed with the reference.

25. The arbitrators shall furnish the umpire with a brief statement of the facts of the case and their reasons for such failure to make an award or to agree upon their award or interim award as the case may be.

26. The foregoing rules as to the practice and procedure before the arbitrators shall apply *mutatis mutandis* to the proceedings before the umpire.

26A. The Arbitrators and Umpire respectively shall have power vested in them and him to make orders whether by way of interim award or otherwise for the preservation or interim custody or sale of any goods which are the subject matter of a reference or for securing the amount in difference in the reference.

27. If an arbitrator duly appointed neglects or refuses to act or is otherwise incapable of acting, or dies, a new arbitrator shall be appointed in accordance with the foregoing rules.

If an umpire duly appointed neglects or refuses to act or is otherwise incapable of acting or dies, the Committee shall proceed to appoint a new umpire.

28. Parties to the reference shall do all acts necessary to enable the arbitrators or umpire to make a just and expeditious award, and shall not wilfully do or omit to do, or cause to be done or be omitted to be done, any act to delay or prevent the arbitrators or umpire in or from making an award. If either party shall be guilty of any such wilful doing or omitting or causing which as a result whereof the proceedings in any manner are delayed or the arbitrators or umpire are prevented as aforesaid the arbitrators or the umpire shall direct him to pay to the other party such costs as they or he may deem reasonable and may proceed with the hearing of the reference.

29. When a dispute or question stands referred to an umpire, he may proceed to adjudicate in the matter on the basis of the statement furnished to him by the arbitrators as provided by Rule 25 and shall make his award thereon within 14 days of his first entering on the reference or within the period of any permitted extension of time.

30. The arbitrators by their, or the umpire by his award shall determine exactly what they or he shall think fit to be done by either of the said parties, respecting the matters referred and shall direct to and by whom and in what manner and in what proportion the total costs of the reference any interim award and the award, including the fees payable to the arbitrators and umpire and the Association shall be paid.

31. All references in these Rules to an award shall unless repugnant to the meaning or context include references to an interim award.

32. All awards under these Rules shall be made in the forms prescribed therefor bearing stamps for the value laid down under the Indian Stamp Act or any other law for the time being in force and shall be lodged with the Secretary who shall send copies thereof to the parties.

33. Every award made under or in pursuance of these Rules shall be final and binding on the parties to the reference and persons claiming through and under them notwithstanding death or legal disability occurring to any party, before or after the making of the award, and so that death or legal disability shall not operate as a revocation of the award.

34. Whenever an award directs that a certain act or thing shall be done by one party to the reference and such party fails to comply with the award, the party in whose favour the award was made may make an application for a further award determining the amount of damages or compensation payable by reason of such failure, and the Committee on receipt of such application shall proceed to appoint a sole arbitrator or two arbitrators and an umpire who may or may not be the same person or persons who made the first award. The arbitration on the said application shall then proceed in accordance with these Rules and the award thereon may be filed separately or together with the original award.

35. Neither party to a dispute or question which has been submitted to arbitration under these Rules shall bring or prosecute any suit or proceeding on any ground whatsoever against the arbitrators or the umpire, or the Secretary.

36. In respect of arbitrations conducted under these Rules the following fees shall be paid by the parties to the reference or by those claiming through or under them, namely:—

- (a) To a sole arbitrator a fee at the rate of Rs. 30 per hour or part thereof, subject to a maximum of Rs. 75.
- (b) To each of two arbitrators a fee at the rate of Rs. 15 per hour or part thereof, subject to a maximum of Rs. 60 for each arbitrator.
- (c) To an umpire a fee at the rate of Rs. 30 per hour or part thereof, subject to a maximum of Rs. 75.
- (d) To the Association in every case a fee of Rs. 10.

37. If the parties to a reference shall take the reference out of the cognizance of the arbitrators or umpire, after the commencement of proceedings and before the publication of the award, they shall nevertheless be liable to pay fees to the arbitrators, umpire and Association at the rates specified in Rule 36 hereof:

Provided that if the reference is so taken out of the cognizance of the arbitrators or umpire before the commencement of proceedings, the amount deposited under Rule 7 (c) shall, with the exception of the fees payable to the Association, be refunded to the party or parties as the case may be.

38. A bill showing the amount due in respect of fees, stamp duties, etc., to the arbitrators, umpire and Association by each party to the dispute shall accompany any copy of the award sent in accordance with Rule 32, and shall be paid within seven days of the receipt thereof.

39. In addition to the fees mentioned in Rule 36, the parties to the dispute or question shall pay as and when demanded by the Secretary and as set out in the award, all other fees or charges incurred during the arbitration in accordance with Rule 19.

40. All notices required by these rules to be given shall be given in writing in the form prescribed by the Association and shall be sufficiently given if left at the last known place of abode or business of the party to whom the notice is addressed, or if sent by post prepaid addressed to him by name at such place of abode or business and not returned through the post, as undelivered before the completion of the award and shall if sent by post be considered to have been given at the time at which the letter would, in the ordinary course, be delivered.

41. The provisions of the Arbitration Act, 1940, or any modification or amendment thereof, or any other relevant Act for the time being in force, in so far as they are not inconsistent with these Rules, shall apply to all arbitrations conducted by the Association.

42. These Rules shall come into force on the 24th November 1944 on which date they shall supersede all previous rules relating to Arbitrations on Piecegoods and Yarn.



## THE TERMS AND CONDITIONS OF THE STANDARD CONTRACT FORM.

1. The quality of the goods shall, except in the case of a sale by sample, accord with the recognized standard quality cloth manufactured by the Company.

In the case of a sale by sample the buyers shall be deemed to have approved the sample furnished by the Company, unless the buyers shall within 4 days after the receipt of the sample intimate in writing to the contrary to the Company.

2. The Company does not guarantee, except where a particular assortment is specially stipulated, any fixed assortment in the deliveries of goods of various dimensions and patterns and bearing different numbers, and in such cases the buyers shall take delivery of and pay as herein agreed for all bales (not exceeding the contract quantity) from time to time ready for delivery regardless of the assortment.

3. Where the contract is for 100 bales or more, the buyers agree to accept at the price herein fixed an assortment of bales to the extent of 10 per cent. more or less than the contract quantity, and where the contract is for less than 100 bales the buyers agree to accept at the price herein fixed an assortment of bales to the extent of 5 per cent. more or less than the contract quantity, but as regards such limits the buyers shall not be obliged to take up more than 5 bales more or less of each sort, including any loose pieces of each sort.

4. In the case of goods sold at a fixed rate per pound the buyers shall not raise any objection or claim compensation for short weight so long as the average weight per bale in each lot delivered does not vary from the invoice weight by more than 2 per cent. per bale. The Company does not guarantee the weight of any goods sold by the piece.

5. The buyers shall not be entitled to any allowance or compensation for any deficiency in the width of dyed, bleached and/or calendered goods when such deficiency does not exceed one inch.

6. In the case of a sale of ready goods payment therefor shall be made and delivery thereof taken by the buyers within 8 days of sale.

7. In the case of a sale of goods for future delivery, when the period of delivery extends to two months or more and the quantity deliverable per month is not specified, the Company shall supply the goods in approximately equal lots per month; and the buyers shall on the last day of each English calendar month take delivery and pay for in cash against delivery of as many bales, approximating to the quantities specified in the contract, as shall have been made ready during that month, and either at the mill premises or at the godowns of the Company as the Company may direct: Provided that in the case of bales of which delivery is required in Bombay, the Company will ordinarily be willing to give delivery through the Selling Agents of the Company in the market, but giving delivery in the market shall not render the Company liable to a claim by the buyers for late delivery if the bales were ready for delivery at the mill premises or the godowns of the Company on the last day of the aforesaid calendar month.

8. The Company shall as far as possible, but without being under any obligation to do so, notify the buyers of the number and particulars of the bales ready for delivery at the end of each calendar month, and shall also furnish to the buyers if requested by the buyers in writing so to do the number and particulars of the bales ready for delivery from time to time during the month. Any such notification or furnishing of particulars by the Company as aforesaid shall not imply or be deemed to imply an obligation or undertaking on the part of the Company to give any further notification, or to furnish any further particulars, except upon the written request of the buyers, it being the duty of the buyers to ascertain the number and particulars of the bales ready for delivery from time to time and to pay for and take delivery thereof.

9. In the event of the buyers requesting the Company to despatch the goods either by rail, road or sea and the Company acceding to such request the goods shall be at the risk in all respects of the buyers from the time they leave the mill premises or the godowns of the Company as the case may be, including the risk of delay in delivery due to the non-booking of the goods by the Railway or Shipping Company for which the Company takes no responsibility.

10. Where the goods are to be delivered in lots or by instalments this contract shall be deemed and construed as a separate contract in respect of each lot or instalment, and the rights and liabilities of the Company and the buyers respectively shall be the same as though a separate contract had been made in respect of each lot or instalment.

11. All goods of which delivery shall not be taken by the buyers in accordance with the terms of this contract shall, as from the date on which delivery thereof ought to have been taken, be deemed to have been appropriated to this contract and the buyers shall be deemed to have assented to such appropriation without any further consent on their part than is evidenced by their being parties to and signing this contract. From the date of such appropriation the said goods shall be held by the Company for the account of the buyers and at their sole risk as regards loss, damage, deterioration or otherwise and the price of the goods plus all charges shall carry interest in favour of the Company from due date at the rate of 9 per cent. per annum and the Company shall be entitled at its sole discretion and after giving not less than seven days' written notice to the buyers, which shall be deemed to have been duly given if delivered at or sent by registered post to the last known place of business or residence of the buyers, to sell the said goods on account and at the risk of the buyers either by public auction and/or private sale and either together or in lots and at such time or times and on such terms and conditions as the Company may think fit. If the net sale proceeds of the goods shall be less than the amount due to the Company for the price of the goods plus interest and all charges, the buyers shall pay the difference to the Company on demand.

12. The Company shall have a general lien on all goods of the buyers for the time being in the possession of the Company (including goods already paid for but of which delivery may not have been taken by the buyers) for the total amount due to the Company for the time being under this contract and also for any amount due to the Company under any other contract with the buyers either alone or jointly with another or others.

13. In respect of all goods of which delivery shall not be taken by the buyers within 14 days after the due date the buyers agree to pay to the Company on demand annas eight per bale per month or any part of a month for godown rent and annas four per bale per month or any part of a month for insurance calculated from the expiry of such period of 14 days to the date on which actual delivery shall be taken by the buyers.

14. If any goods while in the possession of the Company shall be destroyed and/or damaged from any cause whatsoever after the due date for delivery thereof to the buyers, any sum recovered from the insurance of such goods against such destruction and/or damage may be applied by the Company in satisfaction in whole or in part as the case may be of the price of the said goods plus interest and all charges and if the sum so recovered shall be less than the price of the said goods plus interest at 9 per cent. and all charges the buyers shall pay the difference to the Company on demand, and on the other hand if the sum so recovered shall be greater than the price of the said goods plus interest at 9 per cent. and all charges the Company shall pay the excess to the buyers on demand.

15. If the Company shall be unable to deliver the whole or any part of any goods sold for future delivery by the time specified for delivery thereof by reason of the mills working short time or its being expedient to stop the mills temporarily or by reason of fire, war, stoppage or hindrance in the supply of raw materials or fuel, explosion, accident, strike, riot, lock-out or other disorganization of labour or transport, breakdown of machinery, or any inevitable or unforeseen event beyond human control directly or indirectly interfering with the working or the full working of the mills, the buyers shall take delivery of such bales as the Company may be in a position to deliver (if any) and the time for completing the contract shall, as regards the bales not ready by the specified time, be extended for such time as the Company may reasonably require to make up for the delay caused by stoppage, hindrance to or interference with the working of the mills or any other events or circumstances before mentioned PROVIDED ALWAYS that should the inability to deliver in the



case of non-seasonal goods be continuous during the period of three consecutive English calendar months, and in the case of seasonal goods during the period of one English calendar month, then the buyers shall be entitled by notice in writing of their intention to do so, to cancel the contract in respect of any bales then remaining to be manufactured.

16. If for any reasons other than those mentioned in the last preceding clause any portion of the contract goods is not ready by the specified time it shall be lawful for the buyers at their option either to cancel the contract in so far as it relates to the balance of the goods not then ready for delivery, or to extend the time of delivery for such period as the Company may reasonably require, not exceeding one month, PROVIDED ALWAYS that if the buyers shall elect to cancel the contract it shall be incumbent upon them to give to the Company within 7 days after the due date for delivery of the goods not then ready notice in writing of their intention to cancel, and in default of such notice within the time aforesaid the buyers shall be precluded from cancelling the contract and the time for delivery shall be deemed to have been extended for such period as the Company may reasonably require, not exceeding one month, to make ready for delivery the balance of the goods then undelivered.

17. In any of the cases provided for in the last two preceding clauses the buyers shall not be entitled to make any claim for damages, allowance, compensation or otherwise in respect of such non-delivery or late delivery and shall pay for the goods delivered at contract rates, and in the event of the time for delivery being or being deemed to have been extended all the provisions of this contract shall apply equally to the extended time as the time originally specified including therein the remedies reserved to the Company for failure on the part of the buyers to pay for and take delivery of the goods when ready within the extended period and including the liability of the buyers for interest.

18. The buyers shall not be entitled to make any claim for an allowance or otherwise in regard to the condition of the goods when once the goods have left the mill premises or the godown, as the case may be of the Company, unless the buyers prove that the damage was done at the mills, and the claim is lodged within 14 days of the delivery of the goods.

19. The buyers shall not be entitled to make any claim for an allowance or otherwise on the ground that the goods delivered are not in accordance with the contract unless notice in writing of their intention to make such claim shall have been given to the Company within one calendar month after the date of actual delivery of the goods to the buyers or to a carrier or other agent on behalf of the buyers. In default of any such notice the goods delivered shall be deemed to be in all respects in accordance with the contract.

20. In the event of any goods the subject of this contract or any portion thereof being destroyed or so damaged by fire, water or other cause beyond the control of the Company as to render them unmerchantable while stored at the mills or godowns of the Company pending due date of delivery, the contract in respect of such goods shall be deemed to have been cancelled by mutual consent and the buyers shall have no claim whatsoever against the Company in respect of such goods, but if the price of such goods shall have been then paid the buyers shall be entitled to a refund thereof.

21. All disputes and questions whatsoever which shall arise between the parties hereto out of or in connection with this agreement or as to the construction or application thereof or the respective rights and obligations of the parties hereunder or as to any clause or thing herein contained or any account or valuation to be made hereunder or as to any other matter in any way relating to these presents shall be referred to arbitration in accordance with the rules of the Mill-owners' Association, Bombay, for the time being in force regulating arbitrations with respect to piecegoods.

22. Notwithstanding any such reference to arbitration as aforesaid the buyers shall take delivery of the goods the subject of the reference and pay for the same as herein agreed and unless the arbitration award is to the effect that the goods under dispute are "no tender" the buyers shall be bound to accept the said goods on payment by the Company of the allowance (if any) awarded to the buyers. If, however, the arbitration award is to the effect that the goods are "no tender" the buyers shall be entitled to invoice back the said goods with any penalty the arbitrators may award.

23. Nothing appearing in the contract in any vernacular language, save only the name or signature of the buyer or his agent, shall be binding upon the Company.

**Notes:—**

1. After the coming into force of the War Risks (Goods) Insurance Ordinance, 1940, it was suggested that a clause on the following lines be inserted in the cloth and yarn contracts of all member mills. This clause affirms the buyer's liability in respect of premia paid by the seller on goods held by him at the risk of the buyer:—

"It is hereby agreed that in case the buyers fail to pay for and take delivery of the goods on the due date, the Company shall be entitled to claim from the buyers, in addition to the cost of the goods and the charges specified in clause 13 any premium paid by the Company in insuring the goods in question under the War Risks (Goods) Insurance Ordinance, 1940. PROVIDED that the buyers' liability under this clause in respect of the War Risks (Goods) Insurance Ordinance shall be limited to the amount of premium paid by the Company in respect of the goods in question. If the Company has not taken a separate policy in regard to the particular goods held by it at the risk and on account of the buyers, then the amount of premium payable by the buyers shall bear the same proportion to the total premium paid by the Company as the value of the goods which the Company holds at the risk and on account of the buyers bears to the total value of the goods insured. Nothing in this clause contained shall affect the provisions of clause 11 hereof or cause the goods to be held from and after the due date of delivery otherwise than for the account of the buyers and at their sole risk."

Member mills were advised that all contracts entered into by them on and after 31st October 1940 should contain the above additional clause which should be initialled by the buyers and the Company.

2. In July 1942, member mills were recommended to insert the following "War Emergency Clause" in their cloth and yarn contracts. This clause seeks to protect the mills in the event of their having to cancel contracts or to ask for postponement of delivery in respect of contracts entered into by them with bazaar dealers if such cancellation or postponement of delivery was necessitated by requisitions placed on the mills by the Department of Supply, the Government of India.

"Notwithstanding anything hereinabove contained or implied if an Order for goods shall be placed with the Company by or on behalf of the Government of India subsequent in date to the contract date, and if, as a result, the Company shall decide that it is unable to perform the contract in whole or in part within the contract time or times, then the Company shall within seven days of the receipt of such order give written notice (the Company's notice) to the buyer of such decision, and shall in the Company's notice state the extent of its inability to perform and within what substituted time or times the Company will be able to perform the contract. Within seven days of the receipt of the Company's notice the Buyer shall give written notice (the Buyer's notice) to the Company whether the Buyer elects to affirm the contract as varied by such substituted time or times or whether the Buyer elects to cancel the contract to the extent of the inability. If the Buyer affirms the contract as varied then, the contract shall remain in force as varied. If the Buyer cancels the contract, to the extent of the inability, then the contract shall stand cancelled to that extent, and the Buyer shall have no claim for compensation. If the Buyer fails to give the Buyer's notice to the Company within the period aforesaid, the Buyer shall be deemed to have affirmed the contract. If an order for goods shall be placed by or on behalf of the Government of India subsequent in date to any such affirmation, and if, as a result, the Company shall decide that it is unable to perform the contract in whole or in part as so varied then the like procedure shall be adopted with the like consequences. The Buyer shall be entitled if he so requires to inspect any order giving rise to such decision as aforesaid but the Buyer shall not be entitled to raise any question in respect of such decision or in respect of the extent of the inability or in respect of the time or times so substituted."

## RULES FOR THE ELECTION OF REPRESENTATIVES OF THE ASSOCIATION ON THE BOARD OF THE VICTORIA JUBILEE TECHNICAL INSTITUTE.

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.

## RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON THE BOMBAY MUNICIPAL CORPORATION.

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.
2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.
3. The Committee, in consultation with the Municipal Commissioner, shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot box shall be open from 11 A.M. till 5 P.M. on that day.
4. Votes may be given either in person or through anyone duly authorized by a member of the Association; each subscribing member being entitled to one vote for every complete sum of Rupees Fifty paid by him as annual subscription to the Association.
5. The Committee shall appoint two Scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.
6. The candidate who has the largest number of votes shall be declared duly elected.
7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.
8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.
9. In the event of a casual vacancy, an appointment to fill such vacancy shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

### *Sections of the City of Bombay Municipal Act, III of 1888, as subsequently amended, pertaining to the Election of Councillors by the Bombay Millowners' Association.*

- Section 5. (1) The Corporation shall consist of one hundred and seventeen Councillors, as follows:—
- (i) Elected Councillors—
    - (a) One hundred and six Councillors elected at ward elections;
    - (b) Four Councillors elected as follows:—
      - One by the Bombay Chamber of Commerce,
      - One by the Indian Merchants' Chamber and Bureau,
      - One by the Bombay Millowners' Association,
      - One by Fellows;
    - (c) Four Councillors elected by delegates.
  - (ii) Three *ex-officio* Councillors, namely:—
    - The Police Commissioner;
    - The Executive Engineer, Presidency Division, Public Works Department, Bombay;
    - The Chairman of the Board of Trustees of the Port of Bombay.
- Section 6. (1) [*Repealed by Act XVI of 1895.*]
- (2) Councillors elected to succeed retiring Councillors shall come into office on the day for the retirement of the Councillors whom they are to succeed.
- Section 7. (1) All elected Councillors shall retire from office at noon on the first day of April, three years after they take office, which day is in this Act referred to as the day for retirement.
- (2) The term of office of an *ex-officio* Councillor shall continue so long as he holds the office by virtue of which he is such Councillor.
- Section 8. Any person who ceases to be a Councillor shall, unless disqualified, be re-eligible.
- Section 15. A person shall not be qualified to be elected to be a Councillor at an election by a Chamber or Association mentioned in sub-section (1) of Section 5 or at a Fellows' election, unless he is at the time of the election a member of that Chamber or Association or a person entitled to exercise the rights and privileges of membership on behalf and in the name of any firm, company or corporation registered as a member of such Chamber or Association or a Fellow, as the case may be, and unless, in the case of a Fellow, he has resided in the city for six months immediately preceding the date of the election.
- Section 22. (1) General Elections of Councillors shall be fixed by the Commissioner, subject to the provisions of Section 23, to take place triennially on such days in the months of January and February as he shall think fit.
- (2) [*Repealed by Act XVI of 1895.*]
- (3) Elections to fill casual vacancies shall be fixed by the Commissioner to take place on such days as he shall think fit, as soon as conveniently may be after the occurrence of the vacancies.
- Section 23. The dates for all General Elections shall be fixed in the following order, and with the following intervals, namely:—
- Firstly.*—The Ward elections shall be fixed to take place simultaneously for all the Wards.
- Secondly.*—The day for the election by the Chamber or Association mentioned in sub-section (1) of Section 5 shall be fixed at an interval not exceeding twenty-one days after the day fixed for the Ward elections.
- \* \* \* \* \*
- Section 31. (1) An election of a Councillor by a Chamber or Association mentioned in sub-section (1) of Section 5 shall be made by the members for the time being of the said Chamber or Association, as the case may be, subject to the provisions of Section 15, in accordance with the rules made by the said Chamber or Association in this behalf.
- (2) The Secretary to the said Chamber or Association shall make a return in duplicate to the Commissioner setting forth the name in full of every person so elected.
- Section 32. (1) The result of every election shall be declared by fixing, as soon as may be after the election, in some conspicuous place in the Chief Municipal Office, a notice certifying the names of the persons, if any, elected, and in the case of a contested election the number of votes recorded for each candidate.
- (2) The said notice shall be signed in the case of a Ward election, and in the case of an election by Councillors, by the Commissioner, and in the case of an election by a Chamber or Association mentioned in sub-section (1) of Section 5, by the Secretary of such Chamber or Association, and in the case of a Fellows' election by the Registrar of the University of Bombay.

**RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE ASSOCIATION AS A FELLOW  
ON THE SENATE OF THE UNIVERSITY OF BOMBAY.**

1. The Committee shall fix a day for a Meeting of all members of the Association for the purpose of electing a representative of the Association to serve as a Fellow on the Senate of the University of Bombay.
2. The Secretary of the Association shall notify all members of the Association of the date fixed for such meeting.
3. Candidates shall be nominated in writing duly proposed and seconded by members of the Association, and signed in each case by authorized representatives whose names have been duly entered in the List of Persons Eligible to Act and Vote maintained by the Association under Rule 13 of the Association's Rules and Regulations, and the nomination papers must be received by the Secretary at least ten clear days before the date of the meeting at which the election is to take place.
4. Nominations shall be sent to the Secretary on the prescribed form.
5. No nomination shall be valid unless the candidate proposed and seconded also signifies his assent to the nomination on the nomination paper.
6. In the event of there being only one valid nomination such candidate shall be deemed to have been elected by the members of the Association and the Committee shall thereupon declare that he has been duly elected.
7. The Chairman or in the event of his being a candidate or out of Bombay the Deputy Chairman shall determine whether nominations are valid or invalid. In the event of the Deputy Chairman also being a candidate or out of Bombay the Committee shall appoint a member of the Committee other than the Chairman or Deputy Chairman and not being himself a candidate to perform this duty and to preside at the meeting.
8. The Secretary shall if more than one nomination shall have been received by him notify to all members of the Association the names of all candidates duly proposed and seconded at least 7 clear days before the date fixed for the meeting.
9. The Chairman or in the event of his being a candidate or out of Bombay the Deputy Chairman or in the event of his also being a candidate or out of Bombay the member of the Committee appointed under Rule 7 shall take the chair at the meeting. He shall appoint two Scrutineers from among the members of the Committee present whose duty it will be to open the box at the end of the ballot, count the votes and declare the result.
10. Ballot papers with the names of the candidates shall be handed to the representatives of members while the ballot is open.
11. The ballot box shall be kept open in the room in which the meeting is held, for one hour from the time it is declared open by the Chairman of the meeting, for the reception of the ballot papers.
12. Votes shall be cast on the ballot paper and deposited in the ballot box.
13. In the event of a ballot paper being spoiled or torn, the member concerned may ask for a new ballot paper, surrendering the spoiled or damaged paper.
14. Members shall record their votes through their authorized representatives whose names have been duly entered in the List of Persons Eligible to Act and Vote maintained by the Association under Rule 13 of the Association's Rules and Regulations.
15. The quorum necessary at this meeting shall be two.
16. Each subscribing member shall be entitled to one vote for every sum of Rs. 50 paid by him as the annual subscription to the Association.
17. The candidate who has the largest number of votes shall be declared duly elected.
18. In the event of there being a tie, the Committee shall decide by a ballot at a meeting specially convened for the purpose, which of the candidates shall be deemed to have been elected by the members and shall thereupon declare that he has been duly elected.